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FBIS-LAT-94-217 *9 November 1994*

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Mercosur To Negotiate Free Trade Zone With EU

PY0711211294 Sao Paulo GAZETA MERCANTIL in Portuguese 2 Nov 94 p 3

[FBIS Translated Text] Common Market of the South, Mercosur, member countries—(Brazil, Argentina, Uruguay, and Paraguay)—will further negotiations with the EU with a view to signing a broad agreement to establish a free-trade zone between the two blocs. The AGENCIA BRASIL News Agency has reported that the foreign ministers of Mercosur member countries will hold a new round of negotiations with European Commission President Jacques Delors on 24 November.

Acting Foreign Minister Roberto Abdenur informed President-elect Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party] about this during an almost one-hour-long meeting they held at Itamaraty on 1 November to discuss issues related to the Mercosur.

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Mercosur Partners Approve Lists of Exceptions

PY0811210994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1909 GMT 7 Nov 94

[FBIS Translated Text] Brasilia, 7 Nov (AFP-NA)—Diplomatic sources told AFP on 7 November that defining the list of exceptions to the Customs Union and disagreements over subregional conditions of competitiveness have characterized the back-and-forth adjustment process going on between Argentina, Brazil, Paraguay, and Uruguay in their march to establish Mercosur [Common Market of the South].

The Common Market Group [GMC], the highest advisory organ in the integration process, agreed to meet again in Brasilia at the beginning of December—before the presidential summit in Ouro Preto, Minas Gerais State, in mid-November—in order to continue discussing the Mercosur partners' ongoing differences on various technical aspects.

The GMC met in Brasilia on 3 and 4 November. The outstanding result was the approval of each country's list of exceptions to the imperfect Customs Union that will enter into effect on 1 January 1995, and now those exceptions will be eliminated.

According to previous agreements, Argentina, Brazil, and Uruguay had the right to 300 exceptions each, while Paraguay was allowed 399 exceptions. But the Brazilian and Argentine list of exceptions will include only 233 items each, the Uruguayan list will have 203 items, and the Paraguayan list will include 215 products.

As of the beginning of 1995 the common customs tariffs will vary between 0 percent and 20 percent, except for those products that each country thinks must have more protection. This higher protection could reach up to 35 percent, but it must disappear within a period of five to 10 years.

"We made a lot of progress," said Ambassador Jose Arthur Denot Medeiros, Brazilian adviser for integrations affairs, referring to the result of the last GMC meeting.

The Uruguayan delegation headed by Ambassador Guillermo Valles, the Uruguayan Foreign Ministry's economic policy director, also showed clear signs of optimism. "Things are going well," a Uruguayan diplomatic spokesman said.

However, the number of pending issues, such as interregional conditions of competitiveness and the list of products that will not be included in the free trade zone (which will also be completed on 1 January) forced the GMC to convene a new meeting to define all the pending details before the presidential summit.

"Integration is not a linear process, but a path full of fluctuations," said a source who did not want to be identified.

Argentine Minister on Chile's Bid To Join Mercosur

OW0811134894 Tokyo KYODO in English 1312 GMT 8 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 8 KYODO—Argentine Economic Minister Domingo Cavallo predicted Tuesday [8 November] that Chile will not join a four-nation common market in Latin America to be inaugurated in January.

Cavallo, minister of economy and public works, told a news conference that the common market, known as Mercosur, will continue negotiations with Chile for conclusion of a free trade agreement.

Mercosur, patterned after the European Community, will be formed Jan. 1 by Argentina, Brazil, Uruguay and Paraguay.

The four have agreed to abolish tariffs on trade within the region and set common tariff rates on imports from outside.

Chile and the four nations have yet to reach an agreement on the tariff issue.

Cavallo said Argentina has submitted to Britain a proposal for joint development of oil resources around the disputed Falkland Islands in the South Atlantic.

Survey Gauges Business Views on NAFTA

95CA0009A Guatemala City PRENSA LIBRE (DINERO SUPPLEMENT) in Spanish 28 Sep 94 pp 4-5

[FBIS Translated Text] One-third of Central American businessmen have not heard of or cannot explain what the North American Free Trade Agreement consists of. The rest believe this agreement will be of little or no benefit to them, according to a survey conducted by the magazine PANORAMA INTERNACIONAL [no further information given]. The results of the survey indicate that 68 percent of those interviewed think of NAFTA as an economic alliance whose principal advantage is a reduction of tariffs and an increase in trade between the parties to the treaty.

The confusion among businessmen in these countries is the result of an widespread lack of information on the opportunities for expansion involved in trade with Mexico, for example, which is the closest NAFTA signatory country to them. However, there is a certain amount of concern about such trade, due to the generalized view that Central America has a productive, technological, and installed capacity disadvantage, compared with Mexico. There is also an assumption that in case of negotiations on a free trade agreement with Mexico, the Mexicans will have the greatest advantages. (About 57.6 percent of those interviewed consider that the country deriving the greatest benefit from such trade will be Mexico. About 12.8 percent answered that a free trade

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agreement would be of equal benefit to all countries involved. About 12 percent think that a free trade agreement would be of greater benefit to their own country. Some 17.6 percent preferred not to express an opinion.)

Therefore, it is necessary to observe the changes which have taken place in Costa Rica since it signed a bilateral free trade agreement with Mexico. Since then levels of investment in companies of all kinds in this small country have increased, even before this trade agreement enters into effect on 1 January 1995, given the fact that the treaty covers all exports of both nations, except for some agricultural products.

Furthermore, some 70 percent of Mexican exports and 75 percent of Costa Rican exports will be free of tariffs after 1 January 1995. About 20 percent of Mexican exports will be free of tariff in five years, and the remaining 10 percent, in 10 years. About 15 percent of Costa Rican exports will be free of tariff in five years, and the remaining 10 percent, in 10 years.

Regarding the benefits of a trade agreement, those interviewed emphasized economic advantages (13.6 percent), export incentives (11.6 percent), and the import of good quality products at low prices on the local market (10.8 percent). Among these aspects of a trade agreement the last named consequence could be counterproductive, when it is considered that a series of actions will be needed to achieve competitiveness. However, at the same time, this is a challenge which must be dealt with if we want to participate in the international market.

It is important to emphasize that in Guatemala ignorance in the productive sectors of the country about the consequences of a free trade agreement is at a level of 52 percent, only exceeded by Honduras, where the figure is 54 percent. This is a matter for concern because it reduces opportunities for negotiations, and there is no pressure to gain access to a series of advantages which would be obtained if the situation were different. In any case this situation could be overcome to the extent that the members of the so called Northern Triangle consolidate their position and define their courses of action in this regard.

In answer to the question, "Would a free trade treaty benefit your company," 30.8 percent of those interviewed said that it would benefit them a great deal. Some 31.6 percent said that it would benefit them very little. About 19.2 percent said that it would not benefit them at all. Some 18.4 percent did not know or did not answer.

On the other hand expectations in Central American countries regarding a free trade agreement can be seen in the following table which provides details on the answer, "A great deal," to the question, "Would a free trade treaty benefit your company?"

Percentages of "Yes" Answers on Benefits of Free Trade Treaty

Country	Percent	Sector	Percent
Guatemala	28	Services	48
El Salvador	36	State Owned Companies	36
Honduras	26	Commercial	30
Nicaragua	34	Industrial	22
Costa Rica	30	Agricultural	18

These figures indicate that in the region there is a great deal of skepticism due to a lack of confidence in the possibility of successfully competing with foreign companies which have greater resources and experience and better representation abroad. Nevertheless, the services sector showed that it was very optimistic in this regard, due to the fact that recently it has been taken into consideration in international business transactions. On the other hand the agricultural sector appears to be afraid of the prospects for free trade despite the fact that Mexican agricultural production does not meet domestic needs in that country. (This situation could be turned into a great opportunity, as several hundred farmers and businessmen living in the border region between Guatemala and Mexico are finding out.)

In answer to the question, "Would a free trade treaty benefit your country?" some 41.6 percent of those interviewed replied, "A great deal." About 27.6 percent said that it would benefit them very little. Some 12 percent said that it would not benefit them at all. About 18.8 percent did not know or did not reply.

An encouraging factor was the answer, "A Great Deal," by country, to the question, "Would a free trade treaty benefit your country?" This category of answer was higher because it involved anticipating long-term effects, as can be seen below:

Would a Free Trade Treaty Benefit Your Country?

Country	Percent	Sector	Percent
Guatemala	30	Services	52
El Salvador	50	Agricultural	52
Honduras	28	Commercial	38
Nicaragua	46	Industrial	38
Costa Rica	54	State Owned Companies	28

In any case the survey showed that there was a serious lack of knowledge about business opportunities in Mexico, particularly in Guatemala and Honduras.

Finally, it is thought in the region that a free trade treaty with Mexico has nothing to do with the economy of the various Central American countries and that the possibility of negotiating with Mexico involves greater risks than tangible advantages over the short term.

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Cuba

Alarcon Receives Visiting PRC Delegation

PA0811152694 Havana Radio Havana Cuba in Spanish 1300 GMT 8 Nov 94

[FBIS Translated Text] In Havana, Cuban parliament president Ricardo Alarcon received a PRC National Assembly delegation headed by Zhu Liang, president of the Assembly foreign relations committee.

The Chinese visitors also met with Foreign Trade Minister Ricardo Cabrisas. Among other activities that are part of their program, the delegation members exchanged experiences with Cuban administrative and government authorities.

While in Cuba, the visiting delegation will learn of plans to rebuild Havana's Chinatown.

Alarcon, Lage, Robaina To Address Solidarity Meeting

FL0911011494 Havana Radio Reloj Network in Spanish 2056 GMT 8 Nov 94

[FBIS Translated Text] More than 2,200 people worldwide have confirmed their participation in the First International Solidarity with Cuba meeting to be held in Havana on 21-25 November. This information was provided this morning by Sergio Corrieri, president of the Cuban Institute of Friendship with Peoples, during a news conference at the Foreign Ministry's International Press Center. The international solidarity meeting is being sponsored by 52 Cuban mass, social, and professional organizations and responds, Corrieri added, to the unanimous request of the movements worldwide that support the Cuban people. Representatives from over 90 organizations, political parties, religious groups and churches, unions, and parliamentary groups will attend the meeting in Havana.

The International Solidarity With Cuba meeting will take place only a few days before the summit in Miami from which Cuba has been excluded. Corrieri added that this will send a message that Cuba is not isolated. The condemnation of the U.S. blockade, recently rejected by the UN General Assembly, will be one of the main goals of the meeting. The meeting will also include discussions on information and disinformation on Cuba, and provide a forum for an exchange of experiences among groups that support the Cuban people, and will include special addresses by Ricardo Alarcon, Carlos Lage, and Roberto Robaina.

Officials Receive African Politician on South Cooperation

FL0811182194 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Nov 94

[Report by Gisela Bel Heredia; from the "National Radio News"]

[FBIS Translated Text] Dr. Julius Nyerere has told Foreign Ministry officials that the northern nations are working together, even though it is much more important for the southern nations to do so:

[Begin Nyerere recording, in English with simultaneous translation into Spanish] The Social Summit will be held in Copenhagen next year. The northern nations get together, are represented in the (?OECD), and have drafted a strategy on what they seek to accomplish. Nevertheless, I do not think any of the southern nations have met. We have not held meetings. We have not made plans together. Many countries think they know what is happening. They will know what is happening if they band together. Those who remain isolated will not know what is happening. We would then be obligated to participate in something in which we never had any input. [end recording]

Nyerere also referred to steps the south central South-South Commission has taken and is currently taking, specifically regarding details on financing and plans for facing the great challenges of the northern nations. Nyerere earlier met Foreign Minister Roberto Robaina on issues of mutual interest and the current international situation. Nyerere will give a news conference this afternoon and will depart for Costa Rica tomorrow to continue his American tour.

Nyerere Ends Visit to Havana

FL0911015794 Havana Radio Rebelde Network in Spanish 1800 GMT 8 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Dr. Julius Nyerere, former president of Tanzania and President of the south central South-South Commission, ended on 8 November a visit to Cuba, which began on 4 November, to witness, first hand, the current Cuban situation. Politburo Member Juan Almeida Bosque bid farewell to Nyerere at the Jose Marti International Airport.

Nyerere leaves Cuba after completing a busy work schedule including a meeting with Commander in Chief Fidel Castro, in which they discussed issues of mutual interest, as well as the work achieved by South-South Commission. Nyerere offered a press conference before meeting Fidel Castro, in which he stated he is confident that Cuba will be able to succeed and overcome difficult times. He also asked the United States to end the policy of hostility and the blockade against Cuba. He spoke of the South countries efforts for independence and development.

[Begin recording] [Unidentified reporter] What is development?

[Nyerere in English with simultaneous translation into Spanish] Development is about people. It needs to be

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centered on people. Regarding the South countries organizing themselves for development, we have said that every country must adopt policies for maximum self reliance. [end recording]

During his visit Nyerere gave a lecture at the Ministry of Foreign Relations building. He visited the Finlay Institute, and Havana's International Fair. He stated that he was optimistic about Cuba's future, and about the support provided by the international community.

Havana Notes Capture of 2 Panamanian Camp Escapees

FL0911020294 Havana Radio Rebelde Network in Spanish 1000 GMT 8 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] Two Cuban rafters, who had escaped from one of the four camps in Panama, have been captured by U.S. soldiers and placed in the preventive detention center. They had escaped from camp number three, through the sewer system, and were caught five kilometers away from the camp. Two weeks earlier, a group of 21 rafters tried to escape from that same camp only to be captured shortly after.

A total of 8,700 rafters are currently detained at the Panama camps and the only method they have for immigrating to the United States is processing their visas in Havana City, as stipulated in the accord signed between Cuban and U.S. authorities.

Miami Ham Radio Interfering With 'Expedition' Broadcasts

FL0711230194 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Cuban-American ham radio operators in Miami have been interfering with the radio broadcasts of the international Unknown Distance [DX] expedition [expedicion], originating in Cayo Caguamas. The Portuguese, Mexican, and Cuban representatives who have been meeting in the area since 5 November have detected interference on the 40-meter band, one of several used by expedition members. Rigoberto Reyes, of the Cuban Federation of Ham Radio Operators, was participating in the event and told the press that the answer to this clear provocation from Florida has been indifference. Meanwhile, five stations will continue broadcasting from Cayo Caguamas, where a DX expedition is taking place for the first time.

New Industrial, Crafts Markets To Start Operating 1 Dec

PA0811170894 Havana PRENSA LATINA in Spanish 2109 GMT 7 Nov 94

[FBIS Translated Text] Havana, 7 Nov (PL)—The establishment of industrial and crafts markets responds to the need to stimulate production and create an offer of greater quality through the competition of productive forces, the market's organizers asserted here today.

Domestic Trade Minister Manuel Vila Sosa explained at a seminar to train personnel who will be in charge of furthering such markets, that this new type of commerce will be based on self-financing (without state subvention) and that the price of a product will be freely agreed upon between the seller and the buyer.

The announcement of the opening of such markets takes place one month after the start-up of the farmers markets, which have sold products for more than 130 million pesos (par to the dollar at the official exchange rate) during this period. The farmers markets also use the supply and demand system in their transactions.

The farmers and the industrial and crafts markets constitute an alternative to the distribution of consumer goods to the population through the use of coupons for rationed products (at state subsidized prices) by the government that acts as the sole provider.

The appearance of this new way to market merchandise in Cuba has the purpose of stimulating all the productive sources in the country with the best prices that can be obtained in the transactions to be made at those free markets, which will start operating on 1 December.

State firms can sell their surplus at those markets, once they have complied with their commitments to the central administration. The markets can also be used by self-employed workers and people's government industries, which are organizations established by municipal governments, asserted the organizers.

The only products excluded are the exportable ones, those used in national defense, and those required to ensure national economy programs.

Another characteristic of the new markets is that its workers will be motivated by the profit they will make from the difference between the official price of the article and the one that is freely established in the transaction.

The implementation of this new type of commerce—their organizers pointed out—has the additional advantage that competition will improve the design and the quality of the offer to the benefit of consumers.

Retail Trade Director: New Markets Mean Changes

FL0811185994 Havana Radio Rebelde Network in Spanish 1000 GMT 8 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] Arnaldo Vega, national director of retail trade [director national de comercio minorista], said that commercial activity must change as industrial markets open. Vega made these statements at a national seminar on the industrial and crafts markets, which is

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taking place this week in Havana City. Vega also pointed out that those establishments involved in the markets are requesting their administrators to adopt new guidelines and forms of thinking. Treating the public well, keeping sales areas clean, and presenting merchandise attractively, Vega added, will, once more, play a fundamental role in the quality of services offered and, in great part, will guarantee good sales. The industrial and crafts markets will commence activities on 1 December with the opening of a network of shops throughout Cuba where producers will be able to sell their products directly or through consignment.

Nelson Torres Views Strategic Program at Ceremony

FL0911025594 Havana Radio Rebelde Network in Spanish 1000 GMT 8 Nov 94

[From the "Doing Radio" program]

[FBIS Translated Text] Sugar Industry Minister [Minaz] Nelson Torres said that Cuba will advance and produce sugar with the required efficiency during the upcoming sugarcane harvest. Torres participated in the ceremony of a scientific campaign marking the Cuban Sugar Research Institute's 30th anniversary. He spoke of the strategic program for the development of the sugar industry. Torres also talked about the plans to obtain quality seeds through traditional and bio-technological methods, the quality certified repairs on combines, the increase of experienced operators, and the attention workers should receive.

Panel Discusses Sugar Industry Repairs

FL0811171094 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Nov 94

["Straight Talk" program with reporters Eloy Concepcion and Renato Recio, both from TRABAJADORES newspaper, and host Carlos Santana Ojeda]

[FBIS Translated Text] [Santana] We return to the subject of sugar industry repairs. Where do we start?

[Recio] We should start with what is being stressed: The sugarcane harvest is supremely and decisively important to overcoming the special period as soon as possible. It is no secret that sugar production is in serious crisis. Our cane fields are truly decimated, and the industry is languishing from a lack of supplies. The available industrial capacity is estimated at 20 or 22 percent. The workers' attitude is the most essential thing, whether you are talking about the sugarcane harvest or sugar production. And it is not just the workers alone: It is the people who organize, direct, and control the sugarcane harvest and sugar production. While the workers always play an essential role, the cadres' role is also essential in terms of the great willingness needed to tackle problems, of the intelligence required, and of the total rejection of the bureaucratic formulas, of the bad habit of waiting for things to be solved from above, and of the need to confront problems head on and with foresight. The key word right now is foresight. We must foresee everything. We must foresee everything with a critical eye, like Raul said.

[Santana] So, we need foresight and intelligence to carry out the harvest even though the cane fields are decimated and the industry lacks supplies?

[Recio] As circumstances worsen, you rely on the workers' will, tenacity, intelligence, and ability even more. This is not to say that we will have a 6 million-tonne harvest: We will have a small harvest. However, if it is carried out quickly and intensely, grinding large volumes each day, then we will be in the best condition to tackle planting and tending tasks early next year. We hope that there will be more cane and sugar during the '95-'96 campaign.

[Concepcion] We face a very harsh and difficult reality. Everyone has heard the reports that little sugarcane is available.

I have two main worries: Yes, there is little sugarcane. We have what we have, and that is all. Not much more will be available. Figures might increase a tad with the rain and the cold season. However, sugarcane only yields so much sugar. I have one concern but do not have the necessary information. A number of comrades and I have visited several mills. Renato, as a matter of fact, just completed a tour of several eastern provinces. My concern is: Are the mills truly being repaired well? Will the mills be able to extract from that reduced amount of sugarcane its maximum yield in sugar? I still do not have an answer.

I agree with Renato about the workers. We must break free from the bureaucratic attitudes of many Sugar Industry Ministry [Minaz] cadres. I agree with all that. However, there is a technical problem, namely training those cadres. The sugar industry has lost many experienced technicians and cadres in key jobs for a number of reasons, jobs that are important to extracting all the sugar from that cane. Technical levels have deteriorated significantly. We no longer have workers with 50 years of experience: Many have retired, others have passed away, etc. Many of them are no longer active. We have a certain percentage of personnel in the industry that lacks the required expertise. We run the risk that the maximum amount of sugar will not be extracted from the cane. That is my greatest fear.

[Santana] How important are the repairs considered to be?

[Recio] I will answer your question, but keeping in mind what Eloy just said. I am not irresponsibly optimistic nor do I subscribe to that mindless feeling of victory which has infected us so often. I agree with Eloy: We must question. We must be concerned and mix doubt and worry with optimism. That is the winning combination.

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I am reminded of the following, for I have experienced it firsthand and there are many workers who do it this way: You cannot say that a piece of equipment is repaired until you have gone over it 10 times, 100 times, until you have consulted the opinions of the best experts. Repairs involve not only the industry but also harvest equipment. Combines, lifts, trucks, and many other things must also be repaired. The sugar industry, as a whole, is extremely complex and large. However, you must thoroughly prepare for the harvest with the strictest of standards. We cannot forget that there are limitations.

Carlitos, let me give you an example: Sugarcane combines last year were averaging far less than 6,000 arrobas per machine. I have participated in many economic efficiency assemblies promoted by the labor union movement, and the goals established this year with regard to productivity per machine were far superior. These are goals that were solidly established after thorough discussions and with the understanding and participation of the workers at those meetings.

Unrealistic goals were established in some cases, like 3,500 or 4,000 arrobas per machine. They would realize afterward that a cooperative cannot use mobilized forces just because they want to or else they lose money. They lose an enormous amount of money in salaries for those mobilized workers. They then realize that it is most profitable to maintain the machine and make it produce more and to encourage the operator because his role is crucial.

[Concepcion] I agree. However, I want to point out a specific problem regarding the agricultural end of the sugarcane industry. The greatest harvest problems last year were industrial. There were even some strategic problems involving mills that would grind during the day and then stop at night. Some sugar mills could not grind all of their sugarcane. In some cases it was because of the rain, but in others the problem was that the machinery was not properly repaired. I do not have the exact details.

While I consider myself an optimist, it cannot be business as usual. We must appeal to the dignity and pride of the sugar industry's agroindustrial workers. There is a practical problem: The industry must now be fine-tuned and ready after having suffered from lack of resources and improper maintenance, among other things. Each worker must be in the right place to resolve the sugarcane shortage problem.

What has been happening? The industry was not grinding well when there was lots of sugarcane. The industry was primarily responsible for low sugar production last year.

[Recio] Well, Eloy, I am not totally convinced that it was the industry's fault. I see these problems as being closely linked—in other words, agriculture and industry are very closely linked and we cannot blame one or the other. That is my opinion. If we can, and it can be achieved-...[pauses] Only irresponsibility, laziness, and inaction can explain why we appoint the wrong person to be boiler operator during the harvest. Workers know who can carry out a certain task.

There are key positions in the sugar industry. I agree with you on that. They are pivotal positions; as a matter of fact, many of them seem modest. The insanity of the past made the crane operator [guinchero] out to be less than important. But those people can make a difference. The boiler operator, who is responsible for equipment worth millions of pesos and for making sure that there are no accidents, must be selected carefully. We must commit to choosing the right person for the job before the harvest.

[Santana] Well, we are approaching the end of the program. Will we harvest as efficiently and quickly as Cubans expect?

[Concepcion] Well, we must do so. The country must achieve this goal. It was important to discuss this issue: The fact that we are showing interest is a sign that we must achieve this level of efficiency if not for the first time. We have not achieved the level of efficiency that we are talking about in recent years. The industry is vital and decisive from this moment.

When we talk about the industry, we are talking about the whole process of cutting and transporting and making sure that the sugarcane is fresh. This is what we have been talking about over the years and what we have maintained as a slogan. But, my opinion is that the industry is responsible for making sure that the machinery is properly repaired and that prepared workers are placed in key positions. If those workers are not available, then the industry should ensure that an experienced retired worker is there making sure that everything runs well over those 60-70 days.

During those 60 days—in some cases, 54 days—we must express our complete dedication, because that efficiency is decisive for the country. We cannot allow the sugar to be discarded along with the bagasse or to lose sugar because of the improper operation of the boiler or because the laboratory is not operating correctly. That is where the sugar industry must motivate its personnel—workers, technicians, and cadres—to give them the spark that assures this harvest will be truly as efficient as it should be.

[Recio] I agree. We can achieve this. I am not saying that it will be perfect, because one cannot achieve perfection when there are so many objective problems and when there are problems that affect the living standards of the workers and the people. But I am convinced that we have a human resource with patriotic feelings and pride. The sugar workers have always been proud of their role in our country. That role is now more important than ever. Either we carry out a better sugar harvest and prepare the conditions to have a harvest of 5 million [unit not

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specified] next year—six, and then seven—and return to the levels that our industry is capable of, or Cuba's destiny and its overcoming the special period will be delayed. That would mean our people would suffer, and it would hurt our aspirations to consolidate our country's independence and sovereignty.

Roundup of Economic Developments

FL0611231894

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 4 November.

Boyeros Municipality authorities have reported that the Captain Fernando Alvarez Middle School, closed in 1993 because it was operating below capacity and was in poor physical condition, has been turned over to the Raul Roa contingent to be converted into a 28-unit apartment buidling. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Oct 94)

Cuba has established 150 joint business ventures with foreign enterprises from 28 nations over the last five years, more than 30 percent of which are with Latin American and Caribbean enterprises. Cuban Ambassador to Venezuela German Sanchez reported the figures in Caracas upon presenting the book "How To Do Business With Cuba," written by foreign trade expert and sociologist Magi de la Fuente. (Havana Radio Reloj Network in Spanish 1504 GMT 28 Oct 94)

A total of 93 percent of all children under the age of two in Cuba have been vaccinated against the major illnesses that can be prevented through vaccination. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Oct 94)

In Santiago de Cuba Province a total of 300 caballerias of sugarcane have been planted, 90 percent of the planted areas have been weeded, and over 1.5 million cans of coffee have been collected to date. (Havana Radio Rebelde Network in Spanish 1800 GMT 29 Oct 94)

The Spanish Government has donated 293 tonnes of powdered milk for Cuban children. Raul Taladrid, vice foreign and economic cooperation minister, received the powdered milk, expressed appreciation, and noted that the donation amounts to a three-month supply of the product. (Havana Radio Rebelde Network in Spanish 0000 GMT 29 Oct 94)

A total of 85 percent of the Cuban cooperatives that produce sugarcane and other products can produce milk for themselves. The state no longer has to supply milk to the workers and families of these self-sufficient cooperatives through the ration book system. This includes 989 production cooperatives and 2,188 credit and service cooperatives. (Havana Radio Reloj Network in Spanish 2039 GMT 31 Oct 94)

Over 1,000,000 pesos in fines have been collected from about 900 people who violated Law 141 on self-employment in Varadero, Matanzas Province. (Havana Radio Reloj Network in Spanish 2044 GMT 31 Oct 94)

The "(Caney)" agriculture and livestock enterprise, in Santiago de Cuba Province, has earned more than 13,400 pesos by rebuilding spare parts for tractors, vehicles, and agricultural equipment. The unit has also built dairy farms in 29 basic cooperative production units, has increased the use of biofertilizers, and has planted over 21 caballerias of animal feed. (Havana Radio Reloj Network in Spanish 2035 GMT 2 Nov 94)

The Solidarity with Cuba Committee, based in Cullera, Valencia, Spain, has donated over $1.5 million in aid to Cuba. The latest donation was made to the Luis Arcos Bergnes School, in Plaza de la Revolucion Municipality, Havana City Province, and consisted of school supplies and health and personal hygiene products worth nearly $200,000. (Havana Radio Rebelde Network in Spanish 1800 GMT 1 Nov 94)

In Villa Clara Province a total of 855 caballerias of sugarcane was planted during the October campaign, a fraction of October's planting goal. (Havana Radio Reloj Network in Spanish 2039 GMT 3 Nov 94)

A delegation of Brazilian businessmen is in Cuba to discuss the possibility of strengthening investments in Cuba, particularly agricultural, pharmaceutical, and oil investments. The delegation has already met Foreign Trade Minister Ricardo Cabrisas. Trade between Cuba and Brazil amounted to $30 million last year. (Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94)

The average rate of rice harvested in the first phase of the current harvest has been 820 quintales per caballeria on Isla de la Juventud. Rice harvest specialists say that a positive harvest is when 700 quintales per caballeria is obtained, proving that the current rice harvest on Isla de la Juventud is more than positive. (Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94)

The Pablo de la Torriente Brau sugarcane complex, in Bahia Honda Municipality, Pinar del Rio Province, has 80 caballerias of sugarcane very heavily weeded. (Havana Radio Reloj Network in Spanish 2049 GMT 4 Nov 94)

A 23-man brigade has caught 1,080 tonnes of freshwater fish in Taguasco Municipality, Sancti Spiritus Province. This is a national record. A total of 18,570 tonnes of freshwater fish had been caught throughout Cuba by October. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Nov 94)

Pinar del Rio Province sugarcane workers are planning to plant over 200 caballerias during November and December to improve the winter planting campaign, which has had serious delays. Pinar del Rio is lagging behind other provinces, with only approximately 60

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caballerias planted by the end of October. Even with an increase in daily planting, the province will still be over 300 caballerias short of achieving the winter planting goal. (Havana Radio Reloj Network in Spanish 1504 GMT 4 Nov 94)

Guantanamo Province coffee harvest figures have been fluctuating, due to low ripening figures during the first months of 1994. The ripening figures have been progressively improving in several municipalities, including Maisi Municipality. Workers in Maisi, currently ready to harvest 200,000 cans of coffee, hope to produce more than 1,000,000 cans during the harvest. An increase in the number of workers and productivity is needed for Guantanamo to achieve its goal of 2.6 million cans. A total of 1,000,000 cans have already been harvested. (Havana Radio Rebelde Network in Spanish 0000 GMT 3 Nov 94)

Commentary Rejects Relinquishing Socialism

FL0711175394 Havana Radio Rebelde Network in Spanish 1255 GMT 7 Nov 94

["Our Opinion" commentary by Eduardo Dimas; from the "Doing Radio" program]

[FBIS Translated Text] Many out there are trying to make it seem like the failure of the European socialist system, incorrectly called true socialism, means the end of a utopian political system. Those people also advocate the end of history theory, the post-industrial era theory, post-modernism, and all those philosophies portraying capitalism as an eternal, immutable system, and the best and most perfect formula to organize society. I wonder what type of capitalism they are referring to—the one in Africa with 780 million of people living in poverty? The one in some poor and impoverished Asian countries? Or the one in Latin America where 270 million people live in the utmost poverty and 84 million are indigents? I believe that one of the many negative aspects of the Cold War was the fact that it prevented us from clearly seeing that the essential conflict of our era was not between socialism and capitalism, but between rich, exploiter countries and poor, exploited countries.

Today is 7 November, and in Russia, the cradle of revolution, socialism no longer exists. It died of natural causes but it was also given up and betrayed. Yet, above all, it was unable to change and reproduce. Those who tried to introduce changes ended up being its undertakers. In Eastern Europe, socialism was imposed by force, carrying all the defects of the original. There, just as in the Soviet Union, socialism engendered a breed of bureaucrats isolated from reality and therefore unable to understand and respond to the people's needs. I believe that one of the major mistakes of that socialism was that its leaders were unable to listen to the people they supposedly represented. In this manner, social principles inherent to socialism were thwarted by the same people who claimed to be its defenders. Stalin's mistakes, his ruinous interpretation of Leninism, spread throughout the socialist bloc like weeds.

Given this situation, it was impossible for the most noble ideas ever advocated by mankind to become the flesh and blood of the people. The capitalist propaganda seized upon this to offer the alternative of an ideal market economy model that promised elevated living standards. Five years later, after the fall of the Berlin Wall, this is enjoyed by only a handful. Such living standards are attained through an economic development which the socialist bloc did not have. This was never mentioned in the propaganda.

Today is 7 November, and in the cradle of the October Revolution only a few thousand people observed the date. It seems like socialism is dead and out of residual nostalgia some people still remember it. However, how is mankind going to solve the infinite injustice which allows 23 percent of the world population to consume 80 percent of the resources while the other 77 percent—us, over three quarters of all the people on earth—only has access to the remaining 20 percent? As long as this terrible inequity persists, socialism will not die.

I believe that Marx, Engels, and Lenin deserve to be studied again with an awareness shaped by our national roots—Marti's vision—and free of the dogmas in imported manuals, and free of the load of defeatism carried by many who called themselves Marxist-Leninists and revolutionaries.

Mankind's history is not linear. It is full of leaps and reversals. Our own history contains many examples of this. However, 35 years ago we undertook the challenge of creating a more just society. We have that society today, although it is not perfect. To return to the past means toppling the work of many lives to get nothing in return. Of this I am convinced.

What we need is to surmount our mistakes, and put an end to our dogmas without relinquishing socialism. Any impartial observer can see very clearly, perhaps now more than ever in this unipolar world, that sooner rather than later the ideas of socialism will become significant worldwide because they are the only ones capable of saving mankind from disaster. Let us therefore remember the October Revolution and Lenin. The seed his wisdom planted continues to grow. Today, 7 November, is not a footnote of history but an important part of the future.

Commentary Describes 'Inefficient' Train Service

FL0811185494 Havana Radio Rebelde Network in Spanish 0000 GMT 8 Nov 94

[Commentary by Carlos Santana Ojeda; from the "Exclusive" program]

[FBIS Translated Text] The "Exclusive" program has reported on the railroad service on several occasions;

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today, we offer a final word on that service; the word is that it is inefficient. We are not exaggerating: The public has told us that this is so.

The public asks: Why is such an important service doing so badly? Many others ask: Why? Why are the trains so dirty? Why not supply passengers with other things when snacks are not available? How can there be no refreshments when they are sold in large quantities elsewhere? From where does the train get its water? Why is there no water on the trains? Why can't the attendants treat people nicely? Why are the trains breaking down so often? Lack of spare parts? The quality of the repairs? Why redefine the central station's purpose and farm out its functions? When will passengers again feel like they are receiving the quality of service for which they are paying? Are the resources the country is allocating to this important service being used properly?

We admit the economic crisis and material shortages that the country is facing are limiting. However, we do not join those who use the difficulties to excuse the ignorance and insensitivity of some railroad service employees. The people demand more order, organization, discipline, awareness, and responsibility. Above all, the people demand that such indifference be handled.

The railroad service must change in the same spirit as the country is changing in other areas. Some may ask themselves why the "Exclusive" program attacks the railroad service problem. If the railroad service's shortcomings had to be measured in terms of cost, the cost would not be determined in pesos but in low passenger morale due to irritation, dissatisfaction, and the need for answers. As the old saying goes: You can only take so much [no mata la carga, sino la sobrecarga].

Federation Implements University 'Broad Antifraud Movement'

FL0817031694 Havana Radio Reloj Network in Spanish 2059 GMT 7 Nov 94

[FBIS Translated Text] In response to Army General Raul Castro's call to root out lies, the Federation of University Students [FEU] has implemented a broad antifraud movement in Cuba's university classrooms. FEU President Otto Rivera said in Bayamo, during a tour of higher learning institutions in Granma Province, that the struggle against the problem is ongoing and has not been eradicated. He said that the movement aims to eliminate the problem. Rivera met students from the education, sciences, medical, and cultural affairs schools today. He will visit the Higher Institute of Farming Sciences in Bayamo tomorrow. Rivera spent 5 and 6 November harvesting coffee alongside young people from the mountainous Guisa Municipality, where he is also a National Assembly of the People's Government deputy.

Machado Ventura Attends Criminology Conference

FL0911023794 Havana Cuba Vision Network in Spanish 0100 GMT 9 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Statistics show that crime is on the increase worldwide. A discussion of this increase is one of the goals of the participants in the International Penal Sciences and Criminology Conference being held in Havana's Convention Center. Jose Ramon Machado Ventura, vice president of the Council of State, is attending the conference.

Prominent legal experts and criminologists from over 20 countries are participating in Penal Sciences-94. The conference was inaugurated by Cuban Attorney General Juan Escalona who welcomed the over 300 foreign delegates. Today, it was Justice Minister Carlos Amat's turn to speak. Amat stressed the importance of this scientific conference on crime, and pointed out the progress Cuba has attained in this field in the last few years. [passage indistinct]

The worldwide increase in crime is significant. The United Nations has reported that many developing countries allocate an average of nine to 14 percent of their budget to fight crime. It is estimated that countries, all together, spend over 300 billion every year to fight crime. This is one the main reasons for today's need to analyze new ideas and opinions to further along penal and criminology sciences.

Roundup of Politburo Members' Activities

FL0611220294

[FBIS Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Cuban Communist Party Central Committee monitored through 5 November.

Esteban Lazo recognized Havana street sweepers' efforts during a meeting with 250 street sweepers at the Lawton housing projects on 25 October. (Havana Radio Rebelde Network in Spanish 1255 GMT 26 Oct 94)

Esteban Lazo has met Federation of Cuban Women (FMC) members from Marianao Municipality in Havana City. Lazo confirmed that 150 buses with trailers will be built by year's end and that another 160 buses with trailers will be completed in July 1995. Lazo discussed the low-cost housing program and praised the Revolutionary Armed Forces' help in repairing waterworks leaks. Lazo also stressed the need to build more organic orchards. (Havana Radio Rebelde Network in Spanish 1800 GMT 2 Nov 94)

Esteban Lazo and Ricardo Alarcon have attended the first progress report assembly in Havana, highlighting the role of the masses in government management and the need to seek collective solutions to community

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problems. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 5 Nov 94)

Pedro Ross Leal has met tobacco exporters and praised workers on their production efforts. Tobacco growers hope to produce 54 million "units" this year. The Antonio Briones Montoto and Miguel Fernandez Roiz Enterprise factories, in Havana City, and 18 workers received awards for their outstanding efforts. (Havana Radio Rebelde Network in Spanish 1000 GMT 28 Oct 94)

Pedro Ross Leal has chaired a meeting of the La Cuba basic cooperative production unit in Urbano Norris Municipality, Holguin Province. The next sugarcane harvest, winter planting, and social security contributions were discussed. (Havana Radio Reloj Network in Spanish 0306 GMT 2 Nov 94)

Pedro Ross Leal has attended a ceremony during which a Las Tunas Province work contingent received its flag. Ross reported that the over 50,000 volunteer cane cutters that the Sugar Industry Ministry had requested are already organized into brigades and ready to participate in the forthcoming sugarcane harvest. (Havana Radio Rebelde Network in Spanish 1800 GMT 2 Nov 94)

Roberto Robaina and Abel Prieto participated in an extended meeting of the University Students Federation Council on 27 October. Felipe Perez, Council of State member, urged Cuban students to take this opportunity to discuss issues with Cuban political leaders. (Havana Radio Rebelde Network in Spanish 0000 GMT 28 Oct 94)

Roberto Robaina and Juan Almeida Bosque greeted former Tanzanian President Julius Nyerere upon his arrival at Jose Marti International Airport. Nyerere will meet Cuban authorities and visit Havana's International Trade Fair during his visit. (Havana Radio Rebelde Network in Spanish 0000 GMT 5 Nov 94)

Jose Ramon Balaguer chaired the closing ceremonies of the annual ideological conference honoring Ernesto Che Guevara and Camilo Cienfuegos in Granma on 27 October. (Havana Radio Reloj Network in Spanish 1503 GMT 28 Oct 94)

Jose Ramon Balaguer attended the ninth special session of the People's Government Provincial Assembly in Granma Province, where the current coffee harvest and the forthcoming sugarcane harvest were discussed. A total of 50 percent of the province's coffee harvest goal has been reached so far. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 2 Nov 94)

Julian Rizo Alvarez has attended the closing ceremony of the provincial science and technology forum in Camaguey Province. Rizo stressed the importance of these forums and said that everyone should strive to convert these forums into monuments of efficiency. (Havana Radio Rebelde Network in Spanish 0000 GMT 5 Nov 94)

Julian Rizo Alvarez and Nelson Torres have attended a meeting at the Siboney sugarcane complex, in Camaguey Province. The meeting broached issues related to the forthcoming sugarcane harvest. Cane cutting will begin at the complex on 2 or 3 November; grinding operations will begin on 3 or 4 November. Rizo stressed the need for an efficient harvest. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Oct 94)

Candido Palmero has visited areas of Havana Province where sweet potatoes and potatoes are being planted as part of the winter planting campaign. Palmero was told that approximately 1,300 caballerias were in different stages of the planting campaign. This represents over 60 percent of the program's goal. The area that is behind the established goal is Batabano Municipality, where less than 40 percent of the goal has been reached. Palmero underscored the importance of readying the sweet potato seed bank, in preparation for the spring planting campaign. (Havana Radio Progreso Network in Spanish 1200 GMT 28 Oct 94)

Yadira Garcia and General Joaquin Quinta Sola have attended a ceremony during which Matanzas received the award as Cuba's first provincial capital to reach the Fortified City/Second Phase banner. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Oct 94)

Carlos Lage and Alfredo Jordan were briefed on the winter planting campaign and advances that the basic cooperative production units in Melena de Sur Municipality, Havana Province, have made on the potato and yam harvests. (Havana Radio Rebelde Network in Spanish 0000 GMT 29 Oct 94)

Jorge Lezcano has chaired a meeting of the National Assembly of the People's Government's Constitutional Affairs Commission at the Havana Convention Center. This commission and the Foreign Relations Commission are meeting on the migration problem. (Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94)

Bahamas

Authorities Arrest U.S. Resident on Drug Charges

FL0811151094 Nassau Bahamas Radio Network in English 1230 GMT 8 Nov 94

[Report by correspondent Anthony Pearce]

[FBIS Transcribed Excerpt] Six Bahamians were arrested in connection with allegedly smuggling nine duffel bags of cocaine on Friday afternoon in Cat Island. According to Police Liaison Officer Steve McKinney, police discovered the nine bags of cocaine on board an aircraft near Hawks Nest after receiving information from the Drug Enforcement Unit regarding its landing. Six men have been arrested in connection with this incident and will be arraigned in court this week.

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In other news from the crime beat, police arrested a 38-year-old American woman at the Nassau International Airport Saturday [5 November] morning for allegedly attempting to smuggle six packages of marijuana out of the country. According to reports, six packages of marijuana were found taped onto her thigh and lower back. The Ft. Lauderdale, Florida, resident will be arraigned in court this week. [passage omitted]

Haiti

Deputies Give Michel Vote of Confidence

FL0811215894 Port-au-Prince Signal FM Radio in French 1130 GMT 8 Nov 94

[FBIS Translated Excerpts] For the second time, Haitian deputies have given Prime Minister Smarck Michel a vote of confidence, thus concluding the confirmation process of the new Haitian Government. Mr. Michel's general policy statement obtained 53 votes out of 56 deputies. The new prime minister is advocating a government based on democracy, justice, and tolerance. He promised that the upcoming legislative, municipal, and local elections would be free, and called for a pact between the government and employers for the reconstruction of the national economy, and for a better distribution of wealth. He announced that there would be a drop in the customs tariff which would be compensated by an internal tax system.

During the session, two deputies came to blows because of Marc Antoine Rousseau Francois' appointment as the new minister of public works [transportation, and communication]. Deputy Patrick Norzeus, an Aristide supporter, accused Rousseau—former minister of the de facto government of non-recognized President Joseph Nerette—of having been a party to crimes and embezzlements during his term.

Smarck Michel, who was welcomed with a loud applause, remembered how his father died at the Fort-Dimanche political prison under the Duvalier dictatorship where he was being held prisoner. Michel noted that despite this there was no hatred in his heart, but that he would not accept accusations against members of his cabinet without evidence, an attitude which he labeled as non-democratic.

Today, President Jean-Bertrand Aristide will chair the swearing-in ceremony of the newly appointed Haitian prime minister and his cabinet at the National Palace in Port-au-Prince.

At the invitation of the president of the Chamber of Deputies, Haitian Prime Minister Smarck Michel thanked the assembly of deputies for their vote of confidence. [passage omitted]

During in his speech, the president of the Chamber of Deputies, Frantz Robert Monde, described last night's vote as a great necessity and called on all the components of society to be united and take up this challenge. [passage omitted]

Ceremony Marks Michel Appointment

FL0911004694 Port-au-Prince Radio Metropole in French 1700 GMT 8 Nov 94

[Passage within quotation marks in Creole]

[FBIS Translated Text] The ceremony marking Smarck Michel's appointment as prime minister took place this morning at the National Palace. The new prime minister is advocating a government based on democracy, justice and tolerance. Correspondent Rothschild Francois, who attended the ceremony, has more information on the event:

[Begin recording] [Francois] Smarck Michel's nomination as chief of the government represents a step toward progress and peace. Those were President Aristide's words during his speech at the installation of the new cabinet at the National Palace. President Aristide added: We are celebrating the feast of democracy by taking steps on the road towards reconciliation. The head of state attempted to explain that the composition of the ministerial cabinet reflected the image of this reconciliation. The president pointed out that the government should work toward the establishment of a state of reconciliation, respect, and justice. In appointing Smarck Michel's new cabinet, President Aristide also called for unity among the Haitian family and called for cooperation with the new government in order to build a new Haiti.

[Aristide] "Today, I say to the entire Haitian nation that we have a new prime minister and a new government. Together with the government and the multi-national force, and the police, and hand in hand with the diplomats representing other countries in Haiti, we are working so that everyone can see that it is not work for only one or two people or for a group of people but for each and everyone.

I am pleased to once again be with the mayor of Port-au-Prince, the presidents of the Senate and the House of Deputies, and with all the senators and the deputies so that we can make way for the coming elections. If elections are held in December, I will be very pleased. If they are not held in December, I will respect your will. I am pleased that we continue to work with all the political leaders to demonstrate that the coming elections will be held in respect for each other, working together, and walking hand in hand.

Today, I will say once more that everyone in Haiti must know that peace, reconciliation, respect, and justice will prevail with this new government. That is why I invite every Haitian, without distinction, Haitians who live abroad, in the tenth department, Haitians who live in the mountains, Haitians who live in Port-au-Prince, to feel that the president of the country, the prime minister, and the government counts on each on of them. Each of you

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is a treasure. Each of you has many talents, many qualities, and many experiences. When each of you gives one another a chance, through tolerance, to work together, we will work miracles. Ever since 15 October, the sun of wonder shines over the country. We will continue on this path so that the entire world can continue to praise us."

[Francois] Prime Minister Smarck Michel, in a brief address, praised President Aristide, the parliament, and the international community.

[Michel] First, I want to thank the president of the Republic for choosing me and for having pledged his support. I also want to thank the Haitian people for their patience and hope that I will not let them down. I thank the international community for the support they have given us during these past years and for the help they have promised to give us in the coming years. I want to thank our legislators for having given me such a great vote of confidence which is the beginning of a particular and sincere collaboration during the months to come so that we get out of this crisis once and for all. Thanks. [end recording]

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Senate Committee Issues Statement Against Proposition 187

PA0911023794 Mexico City EL FINANCIERO in Spanish 8 Nov 94 p 52

[Statement by the Grand Committee of the Senate of the republic entitled "Campaigns Against Undocumented Aliens in the United States: No to the Racism of Pete Wilson," issued in Mexico City; date not given]

[FBIS Translated Text] 1. The statements by the governor of California, as well as Proposition 187 Save Our State [preceding three words in English], represent attitudes that appeared to have been overcome in the last few years, thanks to the efforts of the federal governments of both countries. Those efforts have even resulted in the signing of a Free Trade Agreement that includes Canada, which, by the way, strongly favors the interests of California, the state from which most U.S. companies in Mexico come.

Governor Wilson's attitude is reminiscent of the era of Hitlerite xenophobia, which in reality is aimed at concealing the social problems the state is facing. One of the most eloquent demonstrations of this crisis was the riot that broke out in Los Angeles as a result of actions taken by police in that city against a black citizen.

2. Blaming migrant workers for social problems deliberately ignores the fact that, to a large extent, and thanks to the work done by migrant workers, this state has become in and of itself the ninth largest economy in the world.

That is why the plan engineered by Governor Wilson to deprive undocumented migrant workers of education, social, and health services lacks political logic and ethics. The $2.5 billion that, according to Wilson, the State of California earmarks for migrants is a small percentage compared to the large profits obtained by California companies and farmers from the unfair wages paid to undocumented workers.

3. It is necessary to express our position at the highest levels so the authorities of that country, both state and federal, can realize that the initiative of Governor Wilson does not help resolve binational problems but indeed exacerbates racist feelings that have nothing to do with the tradition and culture of both nations.

4. Liberty, democracy, and equality are obvious elements of a modern, civilized society. SOS represents an historic setback to the democratic tradition of the United States, an offense to relations between Mexico and the United States, and an insult to human dignity.

5. The multiplicity of relations and contacts that exist between Mexico and the United States prompts us to analyze seriously and maturely the problems derived from one of the most difficult neighbor relationships existing in contemporary international relations.

That is why Manichaean attitudes aimed at covering up the origins of problems do not help to improve the atmosphere of consensus and reciprocity that must prevail between our two great nations. Consequently, the attitude assumed by the Government of California in terms of the arrival of undocumented workers in that state of the American union is contradictory.

6. In this regard, it should be pointed out that Congress has made a unanimous and firm pronouncement against Proposition 187.

In its first ordinary session, the Senate recommended that the executive negotiate a bilateral agreement "to guarantee the protection of the rights of Mexican workers." Moreover, in anticipation of the possible approval of the reactionary initiative, the senators of the PRI [Institutional Revolutionary Party], PAN [National Action Party], and PRD [Party of the Democratic Revolution] recommended that the case be presented in forums at the OAS and the United Nations.

Secretary of the Grand Committee of the Senate of the republic

Protesters Ransack McDonald's Restaurant

PA0811232494 Mexico City NOTIMEX in Spanish 2149 GMT 8 Nov 94

[FBIS Translated Text] Mexico City, 8 Nov (NOTIMEX)—Today protest activities against Proposition 187, an initiative endorsed by California Governor Pete Wilson, began in this capital with the ransacking of a restaurant belonging to the U.S. fast food chain McDonald's.

Mexican police have reported that this afternoon a group of individuals wearing ski masks broke into a McDonald's restaurant located in Zona Rosa in the center of this capital and destroyed restaurant property.

According to eyewitnesses, the masked individuals met around 1200 (1800 GMT) in front of the hamburger restaurant to stage a sitdown protest against Proposition 187, handing out flyers to patrons entering the restaurant. A few minutes later, the group entered the restaurant and began destroying everything in sight, which prompted the customers to leave.

The face of the building was painted with slogans such as "Solidarity with the immigrants," "No to 187," "Yankee go home," "Boycott; down with the racists," "Stop multinationals," and others. After shattering the facility's glass doors and main window, and after wrecking the inside of the building, the perpetrators fled.

Today California citizens are voting on the anti-immigrant Proposition 187 initiative which would deny medical and educational services to illegal aliens residing in that state.

Secretary of Education Jose Angel Pescador affirmed a rejection of Proposition 187 in the referendum would be a victory for reason and justice. He declared he "firmly hopes that Proposition 187 will not be approved," and

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he added, "we must be prepared to demonstrate that we, in Mexico, are ready to defend the rights of our fellow citizens in the United States."

He added: "A proposal of this nature represents a return to racism, intolerance, and xenophobia. We know that in California 85 percent of the migrants are Mexican. Therefore, Proposition 187 would adversely affect many children of our fellow citizens."

Pescador, who is a former Mexican consul in Los Angeles, called on Mexicans residing in the United States "to act prudently, remain calm, and prepare for a struggle within the limits of the law."

Othon Perez Fernandez, president of the National Association of Doctors of Law, said the United States is the main promoter of illegal immigration, because it requires cheap labor. In turn, he argued, "they must now pay for the cost of social security."

Commenting on Proposition 187, the legal expert remarked, "The people of California profit and benefit from the low wages and cheap labor of migrant workers." He said Proposition 187 has some legal aspects that still have yet to be discussed, because "so far it has been called discriminatory and xenophobic, but this has not been adequately explained."

Meanwhile, the Mexican Red Cross has announced it is ready to help those Mexicans who might be deported if Proposition 187 is indeed approved. Fernando Uribe, president of the Mexican Red Cross, said the organization will turn to its Natural or Man-Made Disaster Prevention Committee, which would respond to alleviate any negative results from this initiative.

Further on Disturbances

PA0911024794 Mexico City Radio ACIR Network in Spanish 0000 GMT 9 Nov 94

[Report by Jesus Casasola; from the "ACIR Radio News" newscast]

[FBIS Translated Text] The impact of Proposition 187 is being felt with intensity here in Mexico City. This afternoon, members of a youth gang, some of whom wore ski masks, ransacked a McDonald's restaurant on Genova Street in Zona Rosa. A group of approximately 50 members of a youth gang, most of whom were donned in ski masks or had their hair painted different colors, went to the McDonald's restaurant on Genova Street between Hamburgo and Londres Streets in the Juarez neighborhood, better known as Zona Rosa.

After painting slogans inside and outside the restaurant, the youths distributed propaganda leaflets to condemn Proposition 187. They then proceeded to shatter windows and destroy tables and cash registers. They also emptied garbage cans inside the restaurant. There were approximately 25 customers and employees inside the restaurant at the time. Some of them experienced anxiety attacks and required treatment from the Rescue and Medical Emergency Squad. No one was hospitalized, however.

Several witnesses said the members of the youth gangs fled in a small bus. They were armed with sticks, rocks, and bottles. Police arrived at the scene, but no arrests were reported.

Manuel Juarez Torres, the marketing manager at McDonald's, said luckily no one was injured, but property damage was extensive. He said a report on the incident has been filed with the police. The restaurant has been closed to the public until it can be repaired.

Following this incident, increased security has been ordered at all McDonald's restaurants. I would like to point out that the members of the youth gangs later showed up at the McDonald's restaurant located on Insurgentes Avenue and Dinamarca Street a few blocks away from Zona Rosa. Here, they tried to inflict the same kind of damage, but members of the Roads and Safety Secretariat were already at the scene and prevented additional violence. The youths fled quickly and avoided arrest. Fortunately, nothing happened at this McDonald's restaurant. Again, all of this happened because of protests that groups of Mexicans are staging in Mexico City because of Pete Wilson's Proposition 187.

As for the situation in front of the U.S. Embassy this afternoon, Rene Bejarano Martinez, the Federal District leader of the Party of the Democratic Revolution [PRD], said it is necessary to include a provision in NAFTA to protect the rights of Mexican migrant workers, because Pete Wilson's proposition could provoke a conflict with serious consequences—violent consequences.

During a rally staged by about 2,000 people gathered outside the U.S. Embassy, Bejarano said our fellow countrymen's needs and their dignity go hand in hand. He said more than a few people will fight this initiative, which he described as xenophobic. He said that in the wake of these events, we will learn once and for all which politicians and which Mexicans truly love our country. Here is what he said:

[Begin Bejarano recording] The only thing this proposal is doing is fomenting anti-American feelings in Mexico and stirring up anti-Mexican feelings in the United States. It is going to engender conflicts that have serious consequences and that will, without a doubt, lead to violence. We have to act responsibly. [end recording]

Later, the demonstrators marched to the Government Secretariat where they held another rally. They are currently marching toward El Zocalo in the capital. Rene Bejarano said that if U.S. leaders, who stole more than half of our national territory, cannot respect our human rights, they should simply return the areas they stole from us more than a century ago. The situation grew

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tense after the rally incited the anger of PRD members. Fortunately, the rally did not become violent, but the agitation of the PRD supporters was very noticeable. They again rejected and condemned Pete Wilson's Proposition 187. I would like to add that no major incidents were reported during the march, except for the usual traffic jams which are common in these kinds of demonstrations.

I also would like to add that both the Roads and Safety Secretariat and the Federal District Attorney General's Office have implemented security operations in and around businesses linked to U.S. firms in an effort to prevent the occurrence of additional violent incidents against these facilities, particularly incidents in which a foreigner here could be injured.

Congress Officially Declares Zedillo President-Elect

PA0911150594 Mexico City NOTIMEX in Spanish 1112 GMT 9 Nov 94

[FBIS Translated Text] Mexico City, 9 Nov (NOTIMEX)—Ernesto Zedillo Ponce de Leon today was declared president-elect of Mexico following 17 hours of debate during a session of Congress, which turned into the Electoral Board.

At 0355 today, following more than 80 speakers, the final step of the 21 August electoral process was taken at the San Lazaro Legislative Palace, with 300 votes in favor of Zedillo's confirmation, 66 against, and 120 abstentions.

The former presidential candidate of the governing Institutional Revolutionary Party was ratified. He otained the approval of the members of his party, registered the abstention of the National Action Party, and sustained the rejection of the Party of the Democratic Revolution.

The work of the Electoral Board has now concluded and the president-elect will assume the presidency on 1 December, when President Carlos Salinas will hand him the presidential band.

CND Supports New Dialogue, Plans Protests

PA0811150294 Mexico City LA JORNADA in Spanish 7 Nov 94 p 20

[Report by Jose Gil Olmos and Alonso Urrutia]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 6 November—At the conclusion of a difficult and tiring three-day debate, the approximately 2,500 delegates to the National Democratic Convention (CND) expressed their strong support for "all democratic efforts and for an authentic dialogue between the federal government and the Zapatist National Liberation Army (EZLN)" to ensure a dignified and just peace and to allow for a peaceful transition to democracy.

In addition to making an appeal to say "no to war," they offered their support for the proposal for a new dialogue and the establishment of the National Intermediation Commission (Conai) [Comision Nacional de Intermediacion] created by Bishop Samuel Ruiz Garcia.

At the plenary meeting, the CND agreed to hold a national civic strike on 8 December, and demonstrations, meetings, and marches on 20 November and 1 December, when PRI [Institutional Revolutionary Party] member Ernesto Zedillo will assume the presidency of the Republic. They also agreed to hold the third session of the CND in Queretaro State on 5 February.

Antonio Hernandez Cruz, a PRD [Party of the Democratic Revolution] deputy and state leader of the Independent Federation of Agricultural Workers and Peasants (CIOAC), announced to the plenary that he and Deputies Carlota Botey, Edgar Sanchez, and Rosario Ibarra de Piedra will go on to form the "Parliamentarian Convention Members" group, as proposed by the Clandestine Indian Revolutionary Committee (CCRI) - General Command of the EZLN proposed in its last communique.

Tonight, after long, inflamed debates between groups and members of political and social currents, who came very close to a confrontation, the delegates of the 32 federal entities agreed to establish a new CND presidency to be called the National Council of Representatives [Consejo Nacional de Representantes]. The new CND presidency will be formed by three members and their deputy members from each state, and an equal number from the social groups made up of peasants, Indians, workers, women, artists, intellectuals, human rights activists, ecologists, and students. The exception to this rule is the National Indian Peasant Convention (CNIC), which will have 11 representatives on the new board.

Furthermore, the proposal made to the EZLN by a group of intellectuals was accepted by a slim margin and over the objection of groups identified with the PT [Labor Party]. Thus the following people will also be part of the National Council of Representatives: Luis Javier Garrido, Rosario Ibarra de Piedra, Antonio Garcia de Leon, Octavio Rodriguez Araujo, Paulina Fernandez, Mariclaire Acosta, Carlota Botey, Emilio Krieger, and Guillermo Briseno.

However, the proposal that arose during the plenary on Armando Bartra, Jose Alvarez Icaza, and Axel Didrixson becoming members of the new leadership was rejected because, according to Bartra, the positions must be occupied by representatives duly supported by the grass roots.

Discussions become somewhat difficult, and in some instances, even became deadlocked as a result of the vetos by extremist groups on the plan of action, the agenda, and the confirmation of the CND presidency proposition made by the EZLN in its last communique.

The argument made by these groups and currents was that the EZLN proposals were always presented prior to

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the CND meeting, thus overriding the proposals adopted by the CND participants during their respective conventions.

As part of the morning discussions, Conac-LN representative Benito Miron stated that despite the EZLN having withdrawn the legal representation from them, they would continue working for the CND and the Zapatist movement.

In a message addressed to Subcommander Marcos, the MPI [Independent Proletarian Movement] representative indicated that: "It was an honor to represent the EZLN, and I will continue doing so through my actions and in my heart. I am a Zapatist, and I am also a Marcos supporter. I am going to stand beside Marcos in any circumstance, because he has given evidence of his commitment. I have faith in Marcos, and history will be the final judge."

A Political Declaration for the Unity and Improvement of the CND was presented during the same assembly. The document was signed by dozens of participants to the convention and urged the members of the Conac-LN to work with a "united spirit."

In the same communique the convention participants note that "all proposals of the political and social forces that compose the CND must be viewed within the context of their own value, considered as essential, and be included in the representative basic project of the CND."

Afterward, during the night, in the CND's political message, which was presented by Octavio Rodriguez Araujo, they made a call to establish the Civic and Social Front, which would include all the country's social and sectorial organizations.

In the document, the CND proceeds to assess the country's political, social, as well as economic situation, and declares that "in light of the consequences of the existent authoritarianism," we have reached our tolerable limits, and the country is in a state of "emergency" and on the verge of a social breakup.

The CND made another call to all legal experts, intellectuals, experts, as well as social organizations, to make their proposals aimed as designing of a new Constitution.

With respect to the situation in Chiapas, it is pointed out that support for the struggle by the social organizations must stop being mere declarations, because "a national struggle against war and all types of authoritarian power" is taking place in Mexico.

Under this framework, they demanded the elimination of "the threat represented by the federal Army, police forces, and paramilitary groups in civilian zones. [no end quotation mark as published]. Likewise, they demanded an end to repression and all intimidation against the civilian population, as well as social and political activists.

The CND indicated that "all forms of democratic efforts and genuine dialogue between the federal government and the EZLN must be supported."

Avendano Vows To Seize Chiapas Government Palace 8 Dec

PA0911003794 Mexico City LA JORNADA in Spanish 7 Nov 94 p 20

[Report by Jose Gil Olmos and Alonso Urrutia]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 6 Nov—Following his return from a European visit, Amado Avendano Figueroa announced that on 8 December he will seize the state government palace to initiate his transition government in Chiapas.

On that day, the National Democratic Convention [CND], in line with a decision adopted at its second meeting, will stage a series of demonstrations to protest the "imposition" of Institutional Revolutionary Party [PRI] militant Eduardo Robledo Rincon who on that day also will assume the governorship amid warnings from the Zapatist National Liberation Army [EZLN] that such step means "war."

Avendano Figueroa was in Italy when he returned to Mexico to travel to this state capital to attend closure of the second CND session, which unanimously supported him and designated him an "honorary member" of the chairing board which now will be known as the National Council of Representatives [Consejo Nacional de Representantes].

Following Rosario Ibarra de Piedra's announcement that Avendano had arrived, the CND members shouted: "Whether the PRI likes it or not, out it goes," and "The people voted; Amado won."

Arriving at the podium, Avendano said: "For those who do not know me, I am Amado Avendano Figueroa. I am an attorney. I work as a journalist, and I am a politician because that is the will of the people." From there, he greeted the members of the CND, whom he called "the new forebears of the fatherland," and he assured that "national sovereignty resides in the people."

He also said it was necessary for the Indians to "slap the face" of the government on 1 January "in order that it would come to reason," after which those in attendance raised their fists and roared: "EZLN, EZLN, EZLN!"

Avendano Figueroa noted: The moment has come to give the country a new path, and the CND has to do this, because civilian society is now aware and wants to recover its stature and the people's "dignity."

Avendano Figueroa affirmed his support for Ibarra Piedra as the head of the CND. As the majority of the delegates shouted "Rosario, Rosario," he said: "The national flag is in good hands."

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Avendano Figueroa told the CND that the people of Chiapas would build "democracy themselves" on 8 December by seizing the state government palace to install a "transition government" that will call for a constituent assembly that will be tasked with drafting a new constitution for Chiapas.

Avendano said: "The government has left us no other choice. This is the challenge, and we are going to face it." Thousands shouted.

Rosario Ibarra called for a minute of silence and a minute of applause in memory of the three people who died in the attack on Avendano two months ago on the Pijijiapan-Tonala highway.

Afterward, Avendano announced that in Spain he was given documents explaining the mechanisms followed by people of that country to obtain their autonomy.

"The autonomy of people within a single nation is possible: It has been done in other countries, and it can be done here also," Avendano said after announcing he will deliver these documents to Deputy Antonio Hernandez Cruz, leader of the Independent Federation

Agricultural Workers and Peasants, and to other members of the State Council of Indian and Peasant Organizations, who, on 12 October in San Cristobal de las Casas, proclaimed the Declaration of Indian Nations.

Salinas Interviewed on Bid for WTO Presidency

BR0811142594 Paris LA TRIBUNE DESFOSSES in French 7 Nov 94 pp 16-17

[Interview with President Carlos Salinas de Gortari, candidate for the World Trade Organzation's presidency, by Blanca Riemer; place and date not given: "Acting as Mediator Between Rich and Developing Countries"]

[FBIS Translated Text] [Riemer] Mr. President, if you are elected, how do you intend to ensure the effiency of the WTO [World Trade Organization]?

[Salinas] Every WTO member must respect not only the letter, but also the spirit of the Uruguay Round agreements. Everyone must bear in mind that these rules were adopted by consensus, which amply shows the political will of the member countries to apply what was agreed. It will be easier to ensure that these rules are observed with a new organization to settle disputes, enabling us to avoid the problems of the past. Such a system will enhance the credibility and predictability of the procedure as a whole. From now onward, we can expect to have advance knowledge of timetables, we will have appeals procedures, and, most important, we can be sure that the recommendations of the authorities responsible for settling disputes cannot be blocked by the loser, as presently happens within the GATT. The WTO's efficiency will, obviously, also depend on the quality of its international officials. The GATT secretariat consists of highly qualified, highly experienced staff who have proved their dedication. We now need to maintain and strengthen this quality and this team spirit within the WTO. But, if what I have described is to become reality, we must from the outset ensure that every country taking part in the Uruguay Round ratifies the agreements which have been signed, together with the final act of Marrakech, which created the WTO. This is essential if we wish this body to come into force on 1 January 1995. Mexico and around 30 other countries have already done so, but by no means everyone has.

[Riemer] Mr. President, you are running for a major international position. How do you see this new role?

[Salinas] The main responsibility of the director general of the WTO will be to ensure that the commitments made by the signatory countries are honored. Regarding the timetable for the multilateral negotiations, it will be up to the member countries to decide when and how to proceed. The director general will serve a useful role by identifying the options to be submitted to the member states. But they will have the last word over the course to be followed. The director general's mission will be to promote mutual trade so far as this is possible. In this respect, the contacts he could build with governments and with governmental and nongovernmental organizations would be very beneficial. To avoid problems building up, a research and analysis unit with a forecasting function should be created, with the job of investigating not only issues of international trade as they presently arise, but also future prospects.

[Riemer] Given its global role, will the WTO in future need to counterbalance the G-7 group over decisions concerning the global economy, as proposed by GATT Secretary General Peter Sutherland?

[Salinas] If I understood it correctly, Peter Sutherland's proposal was not to counterbalance any group. His idea was to create a new, high-level forum for economic issues, including the developing countries, economies in transition, and OECD members and supported by the Bretton Wood institutions: the IMF, the World Bank, and GATT. I think the benefits of such a proposal could lie in improved coordination of decisions made by each of these organizations and fostering cooperation between countries of different kinds. In this context, GATT's transformation into the WTO, a more universal organization, soon to be put on the same footing as the IMF and the World Bank, represents a first step in the right direction.

[Riemer] Should the issue of interlinking trade and internationally accepted labor standards (the social chapter) be included in the WTO's functions?

[Salinas] The inclusion of this issue in the future organization's agenda will be decided by the members of the preparatory committee. They are the only ones competent to decide this. The countries interested in adding this issue to the WTO's agenda will have to set out in

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greater detail the problems they anticipate and the solutions they propose. It is for them to convince the others of the validity of their concerns, backed up by solid and objective arguments. We should also bear in mind that there already exist a number of bodies concerned with labor standards. The most specialized of these is the International Labor Organization (ILO), in which employees, employers' organizations, employers, and governments all have a direct input, and which effectively ensures that proper account is taken of all their interests. Whatever decision is finally taken, the WTO will thus have to take account of the ILO.

[Riemer] How do you see the future relationship of the WTO to the IMF and the World Bank? Some degree of unease can be observed within these organizations, which are pondering their respective future roles.

[Salinas] The creation of the WTO is not intended to lead to a reallocation of the roles of other international bodies. Its functions, though somewhat broader than those of GATT, were clearly defined by the agreements setting up the WTO, and there is no reason for it to conflict with other bodies. But everyone who understands how an economy operates knows very well how important it is to coordinate trade and monetary matters. Those in charge at the World Bank and the IMF are fully aware of this. The WTO will be required to ensure that such coordination takes place. There was a link missing in the chain—we now have this link, in the form of the WTO.

[Riemer] How urgent is it to admit new members, especially China and Russia, into the WTO?

[Salinas] Thanks to the end of the Cold War, the changes which have taken place in the economies of Eastern Europe and the former Soviet Union, the internationalization of the economy, and the creation of the WTO, we now have the chance, for the first time since the end of the war, to have a truly global trade system. When the European Union, Canada, and Mexico first broached the question of creating the WTO, we decided to replace the term "multilateral" by "global," so as to emphasize the institution's universal role. Since the start of the Uruguay Round, some 20 new countries have joined GATT. This proves that there exists a real political will for the multilateral trade system to become universal. Despite this rapid growth in GATT, there are another 20 countries which have applied for membership, or whose membership is presently under negotiation. These include China, Taiwan, Russia, Ukraine and other republics of the former Soviet Union, Saudi Arabia, Ecuador, and Panama. But countries joining the WTO must have the will to respect the principles which have already been adopted by consensus.

[Riemer] Mexico is a member of NAFTA and therefore close to the United States. There are those in Europe who fear that your appointment as WTO director general gives the American bloc the means to exert a predominant influence within the organization. Are such fears justified?

[Salinas] In the past, Mexico and the United States tended to highlight their differences, rather than what they had in common. Now, we are trying to give special impetus to matters over which we feel we share common interests. NAFTA is a good example. But Mexico has not only joined NAFTA. During my administration, it has also negotiated important free trade agreements with Chile, Colombia, Venezuela, Costa Rica, and Bolivia, among others. We have joined such organizations as OECD and APEC [Asia-Pacific Economic Cooperation]. More recently, we have promoted the creation of the Association of Caribbean States.

This shows clearly that Mexico has a global role. Its candidacy is supported by all Latin American countries and by some countries in Europe, Africa, and the Middle East. Mexico's candidacy is that of a head of state of a developing country, which has successfully forged close links both with its peers and with developed countries.

In any case, I am convinced that the next GATT-WTO director general will, like his predecessors, need to serve as a mediator between the various interests at stake, whether regional ones or, as frequently happens with GATT, depending on the issue under discussion. After all, we must not forget that those who make the decisions are the member states, not the director general.

PJF, SGPyV Agents Attack Each Other in Mexico City

PA0811153794 Mexico City Radio ACIR Network in Spanish 0000 GMT 8 Nov 94

[Report by Jesus Casasola; from the "Evening News Panorama" newscast]

[FBIS Translated Text] [Casasola] Members of the Federal Judicial Police [PFJ] had a shootout with members of the General Secretariat of Protection and Highways [SGPyV] between Paseo de la Reforma and Republica Avenue in the area of the tobacco company.

It all happened when SGPyV officers Antonio Hernandez Magana and Jose Figueroa Gutierrez on their motorcycles, which bore the numbers 18017 and 18078, stopped a white Topaz whose driver had committed a traffic violation. In the vehicle there were six individuals who were behaving suspiciously and who, it was later discovered, were National Counternarcotics Institute [INCD] agents. These agents, in their usual arrogant manner, got out of the vehicle wielding their weapons and attacked patrolman Hernandez Magana, who fell to the ground, motorcycle and all.

At that moment, a Suburban station wagon from the PGR [Attorney General's Office] arrived, and from it emerged nine more PFJ agents. From a nearby building came assistant policeman Luis Antonio Moreno who, wielding his club, tried to stop one of the attackers but was shot in the left shoulder. The wounded policeman was taken in Red Cross ambulance number four to the

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social security's Magdalena de las Salinas Hospital, where his condition has been listed as delicate.

Meanwhile, the PJF agents got in the Suburban and the Topaz and quickly left the scene, but they were discreetly followed by policeman Antonio Hernandez Magana. They entered the INCD building and shortly thereafter, returned and violently arrested the SGPyV patrolman.

Upon hearing about the incident, Preventive Police Chief Rene Monterubio Lopez called Attorney General Humberto Benitez Trevino by telephone to inform him of the situation. Thanks to this, SGPyV patrolman Hernandez Magana was released. Meanwhile, Benitez Trevino ordered that INCD First Commander Santiago Dominguez Fots be placed in the custody of the PGR. Dominguez has been named as the person who fired at the assistant policeman. The PGR has announced that the internal comptrollership will investigate the incident and dismiss the other agents who arrogantly participated in this incident.

As you know, Avenida Juarez and Paseo de la Reforma, the area where the incident took place, is one of Mexico City's main intersections. While shocked bystanders looked on, the PJF agents in their usual arrogant manner staged the attack on the SGPyV agents.

[Station announcer] Jesus, were there any victims in the shootout?

[Casasola] Only the assistant policeman who tried to arrest one of the PJF agents. As you know, however, the commander of the INCD shot him in the right [as heard] shoulder. The attorney general has, fortunately, already adopted the pertinent measures and has ordered the arrest of INCD First Commander Santiago Dominguez Fots, whose behavior was the most violent and who had to be subdued by SGPyV agents.

Later on, after the situation calmed down, Dominguez Fots was taken to the PGR in Cuauhtemoc.

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El Salvador

Problem of Criminal Violence Studied

95CA0011A San Salvador EL SALVADOR PROCESO in Spanish 28 Sep 94 pp 14-16

[FBIS Translated Text] For approximately two years, since the end of the war, crime has become one of the country's principal problems. Despite the obvious immediacy of this problem, however, society's efforts to combat it are apparently having little effect. In February 1993, the University Institute of Public Opinion (IUDOP) of Central American University conducted an opinion survey to determine the magnitude of the problem in the eyes of the Salvadoran people. The results, when released, were very revealing. They brought to light deficiencies not only in law enforcement, but also in the justice system. A year and a half later, the IUDOP has felt it necessary to repeat some aspects of the evaluation of crime in a more general survey on the justice system. This report deals specifically with the data on crime and criminality.

The survey was conducted in the last two weeks of the month of August 1994, with a total sample of 1,247 people in urban and rural areas throughout the nation (14 departments), and with a sampling error of four percent.

Thirty-five percent of those interviewed, or one in three Salvadorans, had been the victim of a robbery in the last four months (since the second round of presidential balloting). Thirty percent of the crime victims claimed that they had been assaulted during the robbery. One very revealing statistic in the IUDOP poll is that the majority of the robberies occurred in the places most familiar to the victims, that is, in their neighborhood or in their very residence (35 percent), downtown (25.3 percent), on the bus or at some pick-up point on the street or highway (20.5 percent), or at or near work (15 percent), among other places. This suggests that the crime phenomenon is not concentrated in certain parts of the country or the city; robberies do not occur in areas identified as high-risk, but in places where people ought to be much safer—their own home or job, for example—and therefore the population is equally at risk in every part of the country.

Most of the robberies and thefts have a certain basic organization. Nearly half of the robberies (47.7 percent) were committed by bands of three or more individuals, while only 16.5 percent were committed by just one person. Most of the thefts (63.1 percent) were carried out by young people between the ages of 15 and 25.

One statistic that highlights the population's lack of confidence in the authorities charged with fighting crime is the number of crimes reported to the police. Of the robbery victims, 72.6 percent did not file the corresponding complaint with any law enforcement agency. Among the reasons they cited were "that is my preference" (33.1 percent), it is dangerous (19 percent), there was no evidence (16 percent), or the victim simply did not want to report the crime (11 percent). The other 27.4 percent who did file complaints did so primarily to the National Civilian Police (PNC), since it is in the public eye so much, and to a lesser extent to the National Police (PN). Only 24.2 percent of the cases reported were cleared up or resulted in arrests, however; the other 72.5 percent were not followed up or investigated, or absolutely nothing was done. The results showed that there is no significant difference between the PNC and the PN in terms of the number of cases solved.

Along other lines, most of the population (59.7 percent) believes that drug trafficking and consumption have increased in the country lately. With regard to government corruption, a very hot topic these days, a third of the participants in the survey think that there is now more corruption than before; a similar proportion believe there is just as much; and only 12 percent think corruption has declined.

Here is a table comparing the most significant data of the crime survey conducted by the IUDOP:

Crime Data from the Two IUDOP Surveys (Percent)

Statement	February 1993	August 1994
Crime is a principal problem	36.6	54.0
Crime has increased	88.6	77.2
Victim of robbery, theft, or criminal act	34.3	35.0
Robbery occurred in or near home	17.9	35.0
Reported crime to the authorities	22.4	27.4
Positive results obtained (investigation)	26.5	24.2

Sources: University Institute of Public Opinion. Report of February 1993 and Press Release of 9/5/94.

The above table provides food for thought. First of all, in more than a year the rate of robberies per 100 inhabitants hardly declined at all, and for that reason, the perception that crime is a national problem has grown significantly in a year and a half. Second, it is disturbing to note that the place where people run the greatest risk of being robbed has become their own homes. In 1993, the most dangerous place was the downtown section of cities; now it appears that people are in greater danger in their own homes. And finally, according to the available data, the population has learned very little about the value of reporting robberies, probably because in spite of the presence of the PNC, efficiency in solving cases has not improved. It does not appear that the small number of cases solved by the PN has increased with the advent of the PNC.

Thus, the data are not very hopeful. There is no doubt right now that for most of the population, public safety has become nonexistent even on their home turf. This despite the efforts, both real and advertised, to combat

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this problem. It is obvious that the measures adopted so far, beginning with the "brilliant idea" of sending the Army out to patrol the streets (?), have not yielded any positive results for the residents of this beleaguered country, or at least have not yet borne the fruit that was expected [sentence as published]. It should be recalled that overcoming the citizens' feelings of insecurity entails strengthening the judicial system, something that is still a taboo subject. It also entails consolidating the institutions that were created precisely to guarantee a system of security with justice in the country (the National Civilian Police, the Human Rights Ombudsman's Office). On the other hand, it is undeniable that the crime situation will begin to change when the people themselves participate in fighting crime. This does not at all mean that we should form paramilitary vigilante groups, but it does mean that we need, among other things, efficient and well-supervised systems where people can go and be sure that their case will be solved effectively and promptly.

Guatemala

Congress Urges California To Disregard Proposition 187

PA0911040094 Mexico City NOTIMEX in Spanish 0315 GMT 9 Nov 94

[FBIS Translated Excerpt] Guatemala City, 8 Nov (NOTIMEX)—The Guatemalan National Congress has called on the people of the state of California to disregard the anti-immigration Proposition 187 if it is approved in today's elections.

In a statement issued today, the National Congress (a single chamber parliamentary system) called on Californians not to comply with the measure. According to the statement, compliance with the measure would constitute a "flagrant violation of human rights," adding that the initiative is a "discriminatory" move.

The legislators expressed their concern over the effects the measure, if it is approved by the voters, might have on Latin Americans, particularly the thousands of Guatemalans living illegally in California. [passage omitted]

Foreign Minister on Upcoming Visit by Zedillo

PA0811182594 Guatemala City Teleonce Television in Spanish 1900 GMT 7 Nov 94

[From the "Telepress" newscast]

[FBIS Translated Text] Foreign Minister Gladys Marithza Ruiz Sanchez de Vielman said today the government is greatly interested in strengthening the relations between Guatemala and Mexico at all levels during the six-year term that will begin in the neighboring country on 1 December with the swearing-in of the new president, Ernesto Zedillo.

The foreign minister talked about the upcoming visit by the Mexican president-elect.

[Begin recording] [Unidentified reporter] What will be the president-elect's agenda?

[Vielman] We are very interested in meeting with President-elect Zedillo, because the Guatemala-Mexico agenda is very important. We want to continue with the cooperation programs with Mexico in the political and economic fields. You know that Mexico is a member of the group of friends that support the peace process. It is very important for us because Mexico has been a positive element in this type of support.

[Reporter] What are the principal topics that will be discussed with the president-elect before he is sworn in?

[Vielman] The truth is that the purpose of the visit is basically to invite President Ramiro de Leon Carpio to attend his swearing-in ceremony. We have said we would like to talk about some of the bilateral topics such as Mexico's participation in the group of friends of the peace process, as well as our trade relations and other topics of interest for the two countries.

[Reporter] Proposition 187 is being discussed this week. What were the actions taken by the Guatemalan Foreign Ministry with its (?counterparts)?

[Vielman] We have addressed the U.S. authorities. As you know, the Clinton administration fortunately spoke out against this initiative, and there have been many voices within the United States itself saying it is an initiative that is discriminatory, and they have even called it xenophobic because it especially hurts the families of the Spanish-speaking immigrants living in the state of California, adversely affecting important areas such as health and education. [end recording]

Disturbances in Capital Leave 50 Injured

PA0911035894 Guatemala City PRENSA LIBRE in Spanish 8 Nov 94 p 63

[FBIS Translated Text] At least 50 people were injured and some 10 stores damaged during street disturbances last night in various sectors of Zones 1 and 8 of this capital, according to reports from fire fighters.

The disturbances began at 1800 as the Unity of Trade Unions and Popular Action (UASP) and the Association of University Students (AEU) were holding a demonstration, which began at Plaza Italia, across from the Guatemala City Mayoralty, and concluded at Plaza Constitucion.

Several leaflet bombs of the Guatemalan National Revolutionary Unity, URNG, an insurgent group that calls for the rejection of the neo-liberal policies of the current government, also exploded simultaneously at various points in the downtown area.

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Young people threw stones and bottles at private vehicles that were transporting passengers due to the lack of service by collective urban transportation units.

The first attacks on private property occurred near El Amate Park, between 4th and 5th Avenues and 18th and 19th Streets in Zone 1, where presumed young hoodlums threw various objects, causing the aforementioned damage.

Similar attacks occurred at the intersection of 18th Street and 6th Avenue of the same zone, where several trucks, pickups, and other vehicles were hit by bottles that the attackers seized from street vendors in the area.

These idlers covered several squares in the area, where they also threw objects at stores, forcing the owners to close temporarily.

The UASP and AEU erected roadblocks, interrupting traffic at several points to protest the government's neo-liberal policy and the urban transportation crisis.

UASP leader Nery Barros said that demonstration participants were not involved in the disturbances and that their plan was to demonstrate peacefully to protest the mistakes made by current President Ramiro De Leon Carpio.

The leader also criticized the use of force against the demonstrators, because members of the Immediate Deployment Force [Fuerza de Reaccion Inmediata—FRI] and the Riot Squad, both of the National Police, PN, threw tear gas that affected several persons, including four journalists from various media.

Calm returned to the streets two hours later, but hundreds of people experienced difficulties in finding transportation to return home.

Honduras

Groups Criticize California's Proposition 187

PA0811160494 Mexico City NOTIMEX in Spanish 1854 GMT 7 Nov 94

[FBIS Translated Text] Tegucigalpa, 7 Nov (NOTIMEX)—Several Honduran organizations today criticized Proposition 187, which would keep illegals living in the United States from getting certain services, saying the proposition violates human rights.

Angelina Ulloa Duarte, director of the Population and Migration Policy department, told NOTIMEX: "The probable approval of a proposition that violates the most basic human rights by a country that proclaims itself an example of democracy is reprehensible."

Alba de Mejia, leader of the "Visitacion Padilla" Women's Committee, described as "inhuman behavior" the intent to leave without social rights the illegal immigrants living in the United States.

Berta Oliva, coordinator of the Committee of Relatives of Missing Prisoners in Honduras [COFADEH], said that leaving illegals without basic services violates human rights and that the fact that this is done in the United States is ironic. Ulloa Duarte added that the United States should change its image of a consumer society, which makes people in poor countries think that all of their economic problems will be solved in the United States, an image that stimulates emigration. She said further that immigrants try to realize the "famous American dream," which represents a panacea for solving the immigrants' problems. She said the governments of Central America and other areas should implement policies to reinforce their people's roots, create jobs, and reaffirm their national identities, thus preventing the mass emigration of young people to the United States. "We should change our position of dependency and understand that only a country that produces can succeed," she said.

Mejia said that the probable approval of Proposition 187 will only result in increasing violence in the United States by uniting millions of Latin American legal and illegal immigrants and will deepen resentment against discrimination.

The controversial Proposition 187, which will be subject to a vote in a referendum in California tomorrow, was presented by Governor Pete Wilson. The proposition deprives illegals of access to education and health services.

Security Council To Discuss Armed Forces Cuts

PA0811163494 Hamburg DPA in Spanish 1619 GMT 3 Nov 94

[FBIS Translated Text] Tegucigalpa, 3 Nov (DPA)—Honduran Vice President Walter Lopez Reyes, announced today the government's decision to reactivate the National Security Council to discuss the reduction of the Honduran Armed Forces.

According to Lopez Reyes, also a retired general who held the post of chief of the Armed Forces from 1983 to 1985, the measure is in response to a world process coherent with the policy of human development and the tendencies to invest in social programs.

Lopez Reyes said that the reduction of the Honduran Armed Forces means for the country an increase in the police force. Vice President Lopez Reyes is military adviser to Honduran President Carlos Roberto Reina.

The National Security Council, which has not met for the 10 months of Reina's administration, will do so "very shortly" through a presidential summons, Lopez Reyes indicated.

This council is comprised of the Honduran president, Presidency Minister Armando Aguilar, Foreign Minister Ernesto Paz, Government Minister Efrin Moncada, and Defense Minister Reynaldo Andino, as well as General

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Luis Alonso Discua, Armed Forces commander in-chief; Lazaro Avila Soleno, joint chiefs of staff; and Guillermo Paredes, Armed Forces inspector general.

The Honduran military budget for 1994 is $28 million; it was increased by $3 million compared to the 1993 budget, according to government explanations. This increase is earmarked for the voluntary military service program.

Congress Puts Treasury Police Under Finance Ministry

PA0811164194 Panama City ACAN in Spanish 2349 GMT 4 Nov 94

[FBIS Translated Text] Tegucigalpa, 4 Nov (ACAN-EFE)—The Honduran Treasury Police will cease to be under military control and instead will be transferred to civilian control, according to a decree approved by the Honduran Congress.

The decree created the Executive Directorate of Revenue and put the Treasury Police under the Finance Ministry's authority, an official Congress source has reported.

The Chamber of Deputies approved the decree proposition "to increase fiscal revenue and eradicate corruption," according to an opinion presented by Carlos Roberto Flores, Liberal Party member and president of the Congress.

Flores said that the creation of the directorate and the transfer of the Treasury Police to civilian authority is part of the economic adjustment program approved by the legislative on 12 October.

The decree creates the directorate as a Finance Ministry agency but with "administrative, technical, and financial autonomy."

The directorate will be in charge of managing tax and customs revenues in the country and will be assisted by the Treasury Police, which will be under the executive director's authority.

The Treasury Police, a branch of the Public Security Force, FSP, and which has been under the Armed Forces Command since the 1960's, will gradually be turned over to civilian control starting in February 1995.

The Congress approved the proposition after Finance Ministry Juan Ferrera admitted the existence of corruption in the customs administration.

Ferrera estimates that appproximately 1 billion lempiras ($137.5 million) are lost every year to uncollected taxes on smuggled goods.

Congress Places Merchant Marines Under Civilian Control

PA0811165094 Mexico City NOTIMEX in Spanish 1908 GMT 5 Nov 94

[FBIS Translated Text] Tegucigalpa, 5 Nov (NOTIMEX)—The Honduran National Congress today approved the transfer to civilian control of the Merchant Marines, which until now had been controlled by the military through the Navy.

The Finance Ministry, according to the agreement approved on Saturday by Congress, will be in charge of the Merchant Marines as of next year.

The new law establishes that the director and assistant director of the Merchant Marines will be appointed by the president from a list of three that must be presented by the Office of the Attorney General.

When this new law goes into effect in 1995, the Honduran Office of Maritime Security, based in Miami, Florida, and controlled by the Honduran military, will cease to exist.

The new law officially establishes the amounts that must be paid by ships that navigate under the Honduran flag: between $150 and $600 depending on their tonnage; between $400 and $2,000 for inspection services; and between $250 and $3,000 for registration.

The ships must also pay an annual tonnage tax that ranges between $250 and $1,500.

Nicaragua

Mexico Agrees To Import Beef, Sugar, Alcohol

PA0911043594 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 8 Nov 94

[Report by Erica Ramirez; from the "National Newscast"]

[FBIS Translated Text] The Mexican Government has eased its position to permit the import of Nicaraguan products such as beef, sugar, and alcohol, which until now were not accepted. The easing of restrictions on the aforementioned Nicaraguan products resulted from the free trade agreement negotiations with Mexico. Regarding these negotiations, a meeting was held today between the Nicaraguan Chamber of Industry and the Ministry of Economy. Apparently, businessmen are concerned about ensuring fair competition.

The Mexican Government's position regarding products such as beef, sugar, and alcohol may reflect interest in signing an agreement between the two nations to guarantee favorable trade status.

[Begin Economy Minister Pablo Pereira recording] A good part—in fact, I would say nearly all—of national production is on the list of items that will not be deregulated until the very end, as requested by various producers, and these include not only industrialists, but also farmers. They have requested that we maintain tariffs on these products. [end recording]

And it is precisely security that the national industry is expecting.

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[Begin Alberto Chamorro, president of the Nicaraguan Chamber of Industry, recording] We have indicated the need for industry to remain as protected as possible. Given this, we have agreed that protection of manufacturing and national industry will be maintained, for the most part, for 10 to 15 years. This is very different from what we achieved with Costa Rica. This represents Mexico's acceptance of the idea that Nicaraguan production must be protected. [end recording]

Although the signing of a free trade pact with Mexico this month seems unlikely, the important thing is that the visit of President-elect Ernesto Zedillo should serve to convince the new Mexican Government that the treaty, as it has been negotiated, is the best option for both countries.

Panama

U.S. Official Pays Visit, Discusses Legal Treaty

PA0911003694 Panama City Telemetro Television Network in Spanish 1730 GMT 8 Nov 94

[Report by Valerio Abrego Jimenez; from the "Telemetro Reports" newscast]

[FBIS Translated Text] The presence of the U.S. assistant secretary for international narcotics matters presents a good opportunity for the Panamanian Government to request ratification of the Mutual Legal Assistance Treaty [MLAT] by the U.S. Congress. This instrument would make positive contributions to the struggle against the drug scourge.

[Begin Supreme Court Justice Arturo Hoyos recording] In my opinion it is necessary—and it is also very advisable—for the U.S. Government to ratify the MLAT to establish a general legal framework through which cooperation can be channeled. [end recording]

The foreign minister said the U.S. representative agreed to intercede for the ratification of this treaty:

[Begin recording] [Foreign Minister Gabriel Lewis Galindo] Assistant Secretary Gelbard told us that President Clinton's administration will use all the influence it can muster to get the U.S. Senate to ratify this as soon as possible. It is of great interest to them, as it is to us.

[Unidentified reporter] Why has the Senate taken so long to ratify this treaty?

[Lewis] Because of the procedures in the United States for ratifying this kind of treaty, and also because there is a senator who is preventing this debate from leaving the committee. This is possible in the U.S. legislative process. It seems, however, that they are already finding formulas to overcome this political impasse within their system.

[Gelbard] The administration totally supports this treaty, and we regret that Congress has not yet approved it. When Congress reconvenes, we will make a very serious effort to ratify this treaty, as Panama already has. This is something the two countries need. It is another instrument within the framework of our relations. [end recording]

According to authorities of the two countries, ratification of the MLAT by the United States would create a positive legal environment for joining efforts in the struggle against drug trafficking and money laundering.

Ambassador: Visit 'Positive Step'

PA0911130594 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Nov 94

[From the "RPC Television News" newscast]

[FBIS Translated Text] Ricardo Alberto Arias, Panama's ambassador to the United States, has voiced optimism over the results of a meeting with Robert Gelbard, U.S. assistant secretary of state for international narcotics matters. Arias noted that an arduous struggle will be waged against money laundering. Here is a report:

[Unidentified reporter] Ambassador Arias said the meeting with the high-ranking U.S. official afforded an opportunity to present a Panamanian proposal to curb the laundering of money derived from drug trafficking. The proposal, the diplomat said, was drafted by a presidential commission comprising representatives of the government and the private sector headed by Raul Aleman and Victoria Figge. The report, Arias pointed out, recommends compliance with the Vienna Convention, under which signatory governments agree to adopt dynamic measures to fight the illegal use and trafficking of drugs.

[Begin Arias recording] It includes the appointment of an organization specialized in controlling money laundering; it strengthens the Banking Commission; and, in this issue, it involves not only banks, but other financial organizations operating in the nation to achieve tighter control. [end recording]

Ambassador Ricardo Alberto Arias said that during the meeting Robert Gelbard, U.S. assistant secretary of state for international narcotics matters, said the steps taken by Panama to control money laundering are very satisfactory.

[Begin Arias recording] I view Ambassador Gelbard's visit and the support he gave to Panama's efforts to fight money laundering as a positive step within the framework of the Panama Canal-related tasks we must perform. [end recording]

Cuban Rafters Escape, Recaptured by U.S. Soldiers

PA0811163594 Panama City LA PRENSA in Spanish 8 Nov 94 p 2a

[Report by Manuel Alvarez Cedeno]

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[FBIS Translated Text] U.S. soldiers captured two rafters who escaped yesterday from Camp No. 3—the same camp from where 21 Cubans escaped two weeks ago, although they were also captured—U.S. military sources stationed in the canal area have reported.

Liliana Levy Dutram, spokesperson for Operation Safe Haven, reported that the rafters—whose names were not released—escaped at 0915 yesterday; however they were captured at 1700 hours.

Two weeks ago, 21 rafters escaped from Camp No. 3, but all were captured after an intense operation by Southern Command soldiers in the semi-jungle region in the canal area.

The 21 captured rafters were taken to the Preventive Detention Center, where most were sentenced to 150 days of arrest.

The two who escaped yesterday did so through a Camp No. 3 sewer; however they were located three miles from this place and subsequently transferred to the Preventive Detention Center.

Levy Dutram said, "the most important thing is that we are relieved to have them back in our camps, particularly before nightfall, because this way we are sure that they are safe."

The rafters have staged a number of escapes and violent protests as a way to demand visas to enter U.S. territory.

General Jim Wilson, commander of the Safe Haven Joint Task Force, said that there are only "a small number" of Cubans who participate in these actions, thereby hurting the positive attitude of the rest of the rafters.

The Cubans refuse to return to Havana to request an entry visa to the United States, as is established in the New York migration agreements signed by Cuba and Bill Clinton's government.

President, Minister, Assembly Head To Attend Summit

PA0911040394 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Nov 94 p 36

[Report by Esperanza Navarro Francois]

[FBIS Translated Text] President Ernesto Perez Balladares, Foreign Minister Gabriel Lewis Galindo, and National Legislative Assembly President Balbina Herrera confirmed to LA ESTRELLA DE PANAMA yesterday that they will attend the Summit of the Americas hosted by U.S. President Bill Clinton in Miami.

A total of 34 heads of state will attend "three leaders' meetings" during the summit, which will be held from 9 to 11 December. The Foreign Ministry and the Presidency had remained quiet about who would make up the Panamanian delegation. The objective of the summit is for the heads of state to reach a consensus on how to strengthen democracy, expand trade, and cope with social ills, a White House spokeswoman stated on 5 October.

The U.S. President will speak on 9 December, whereas the rest of the 33 democratically elected leaders of the region will speak at the inaugural dinner, which will be served at a Mediterranean-style hotel.

The three "leaders' meetings" on the agenda will be held on 10 December at the Biscayne Museum and Gardens, Coconut Grove. The meetings will conclude with a state dinner and a gala ball.

PTJ Head: Country Unprepared To Fight Money Laundering

PA0911041394 Panama City LA PRENSA in Spanish 8 Nov 94 p 1A

[Report by Jose Otero]

[FBIS Translated Text] Gabriel Castro, director of the Judicial Technical Police (PTJ), has said that in Panama there is no state security agency professionally trained to confront the crime of laundering money derived from drug trafficking.

Castro stressed that money laundering is a new offense in Panama. He added that despite the fact that much has been done to confront and combat this scourge, much remains to be done.

He explained that President Ernesto Perez Balladares recently appointed a high-level commission to assess this situation and present specific proposals for neutralizing the drug traffickers who sponsor money laundering, primarily in the capital and in the Colon Free Zone.

The PTJ director stated that the government is concerned about the increase in money laundering, which is why Robert Gelbard, U.S. assistant secretary of state for international narcotics matters, was invited to analyze formulas to begin a counternarcotics struggle in the country.

Last week, Attorney General Jorge Ramon Valdes reported that he had initiated a government investigation to determine if construction companies are involved in money laundering activities in Panama.

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Argentina

Joint Staff Chief Views Military Service, Budget

PY0911112094 Buenos Aires LA PRENSA in Spanish 8 Nov 94 Section 1 p 2

[Interview with Joint Staff Chief General Mario Candido Diaz by Juan Maria Coria and Sergio Moreno; place and date not given]

[FBIS Translated Text] [LA PRENSA] Do you have money for the professional military service system?

[Diaz] For this system, 317 million pesos are required. We solicited this money from the executive branch. President Menem himself determined that this money should be delivered to the Armed Forces. Of this total, 250 million pesos represent an increase for the military budget. The other 67 million pesos are to cover the former compulsory military service expenditures. The government said it would supply it.

[LA PRENSA] You still do not have this money?

[Diaz] The executive branch said it would be drawing this money as of 1 January 1995. The law establishes that this money will represent a parallel budget [presupuesto paralelo] that will be used for equipment purchases, food, health, and basic training.

[LA PRENSA] Is this money enough for you?

[Diaz] There are other requirements: operational expenditures. They still have not been approved by the Economy Ministry. If it does not approve them, we will have to manage with what we have. But instead of carrying out six or seven exercises per year, we will carry out two or three.

[LA PRENSA] But are operations guaranteed?

[Diaz] Well, now ... if this complementary budget is not approved, we will carry out the same exercises that we carried out this year. The level is low ... Soldiers will be better off, but without money for operational expenditures, the exercises will not be the best.

[LA PRENSA] Do you believe these officers and NCO's will motivate soldiers fairly well despite the salary problems?

[Diaz] I do not harbor any doubts about the ability of our cadres. If there are no salary adjustments for Armed Forces personnel, the professional military system may fail.

[LA PRENSA] Why?

[Diaz] Because of what you have said. There will not be enough motivation, the required encouragement to comply with the requirements established by the executive branch and the law.

[LA PRENSA] Soldiers will collect 350 pesos. Is there any chance that trainees will collect more than trainers?

[Diaz] No, no. Trainers will collect more than trainees because I trust the Economy Ministry will understand the subordinate personnel's requirements, as they are utterly underpaid.

[LA PRENSA] Why does a professional soldier involve more expense than a conscript?

[Diaz] Because conscripts could receive leave and eat at their homes. Conscripts wanted leave, and this reduced costs. This cannot be done with professionals. They have to spend 24 hours in the barracks. They require all the backup services, including on Saturdays and Sundays.

[LA PRENSA] Don't you believe it makes a huge difference? You are talking about an individual cost of $12,000 per year, against $2,500 that it used to cost to maintain a conscript....

[Diaz] Because we will supply them with two changes of clothing, food, operational expenses, and salary.

[LA PRENSA] Why will the medical checkups be more expensive?

[Diaz] If the volunteers have a disease, they will try to conceal it to join. Exactly the opposite happened with the compulsory military service system. The medical checkup requires a larger number of laboratory tests. We will also carry out AIDS tests, which cost dearly.

[LA PRENSA] Does the new military service system represent a problem to you?

[Diaz] Well, now ... yes. We are concerned about receiving the volunteers and having things prepared as best we can. The problem will be our ability to retain them....

Accord on Police, Security Issues Signed With France

PY0811211894 Buenos Aires TELAM in Spanish 1759 GMT 7 Nov 94

[FBIS Translated Text] Paris, 7 Nov (TELAM-SNI)—Official sources have reported here that French Interior Minister Charles Pasqua and Argentine Interior Minister Carlos Ruckauf today signed a cooperation agreement on police and security issues.

The source say the agreement "is part of a longstanding tradition of bilateral cooperation in these fields" which will "enhance our longstanding friendly ties that have already been expressed in agreements signed with two Argentine provinces," Mendoza and Misiones.

The Argentine Embassy in France reported that "the two countries will technically and operationally cooperate in police matters, among them international crime; the illegal narcotics trade; economic and financial crimes; the trafficking of works of art, arms, and human beings; and terrorism."

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After signing the agreement, Argentine Interior Minister Ruckauf extended to his French counterpart an invitation, on behalf of the government of President Carlos Menem, to visit Argentina. Present at the signing ceremony were Argentine ambassador to France Juan Archibaldo Lanus and French officials.

Bolivia

Uruguay's Abreu Ends Visit, Signs Agreements

PY0811204794 Madrid EFE in Spanish 0014 GMT 8 Nov 94

[FBIS Translated Text] La Paz, 7 Nov (EFE)—The foreign ministers of Bolivia, Antonio Aranibar, and of Uruguay, Sergio Abreu, today ratified their political will to implement the Parana-Paraguay waterway project, which they consider "the greatest expression of physical integation in the region."

The Uruguayan foreign minister concluded today his official activities in La Paz with the signing of several bilateral agreements, an exchange of notes, and the ratification of Uruguayan support for the Bolivian demand for an outlet to the sea.

Foreign Minister Abreu and his retinue will leave on 8 November for Titicaca Lake, the highest in the world, before departing for a tour of Mexico and Cuba.

The Parana-Paraguay waterway represents "a 3,500 kilometer path of water" that will link Puerto Aguirre (Bolivia) to Puerto Palmira (Uruguay), and will make possible the export of products by way of the Atlantic Ocean, Abreu said.

The Bolivian foreign minister said that the Parana-Paraguay waterway represents "one of the greatest expressions of physical integration in the region," a project to which Bolivia and Uruguay are giving priority attention because of its importance to the territorial and economic links in the River Plate Basin.

Minister Abreu reaffirmed Uruguayan support for Bolivian aspirations to recover its Pacific coast, within the principles of nonintervention, dialogue, and relations of Latin American brotherhood.

Moreover, Aranibar expressed Bolivian interest in using, as soon as possible, the Uruguayan free depots in Nueva Palmira and Montevideo with the purpose of handing over their administration to private hands and thus favoring Bolivian productive and commercial activities.

The Uruguayan Government had allowed Bolivia to use those free depots during Jaime Paz Zamora's administration.

The two foreign ministers also studied the development of the Common Market of the South (Mercosur), which Bolivia hopes to join without giving up the Andean Pact, of which it is a founder-member, and the possibility of making the Asuncion Treaty more flexible concerning the rules for the inclusion of new members.

Abreu expressed his willingness to lobby in favor of Bolivia, a country considered the central point of regional integration and which has common interests with the member countries of Mercosur.

The two foreign ministers stressed the establishment of a mechanism for coordination and permanent consultation, seeking an analysis of political and economic matters of binational interest.

The exchange of notes establishes the organization of permanent bilateral commissions for the treatment of political and economic matters.

The Permanent Bilateral Commission for Political Matters is headed by the deputy foreign ministers, who will be in charge of studying the matters concerning bilateral political relations, paying special attention to ties with physical integration and cooperation in education, technology, science, and culture.

The permanent Bilateral Commission for Economic Matters, also headed by the deputy foreign ministers, will be charged with studying bilateral economic relations, paying special attention to the consolidation of economic mechanisms for bilateral economic integration and increased trade.

The functioning of this coordination and consultation mechanism will be perfected to meet the needs resulting from bilateral relations.

Group Backing Garcia Meza Detected in Cochabamba

PY0811201494 Santa Cruz EL MUNDO in Spanish 2 Nov 94 p 30

[FBIS Translated Text] La Paz—The self-styled "Dignity Column," which supports former dictator Luis Garcia Meza, is formed by the so-called group "Lovers of Death," former military officers, former policemen, and aides of the dictator who occupied high-ranking posts in the La Paz, Cochabamba, Oruro, Sucre, and Santa Cruz customs, according to MNR [Nationalist Revolutionary Movement] Deputy Oliverio Iriarte.

Iriarte asserted that the group, "headed by the brothers Hugo and Daniel Salamanca," was detected four months ago in Cochabamba.

The deputy added that, according to the information the Intelligence Department of the Ministry of Government has received, the group holds its meetings in private homes.

Iriarte said that the government intelligence services have kept a close watch on these meetings and are alert to any suspicious movement that may be carried out by those who consider themselves former aides of Garcia Meza.

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The MNR representative also expressed regret with regard to the fact that some people linked to Garcia Meza's dictatorship seek to sow fear and panic, and said that the government must adopt the necessary measures to determine who is involved in this campaign.

It seems that the group's main target is the media that comments on Luis Garcia Meza's statements and broadcasts information on his relatives and closest aides.

Search for Remaining Cali Cartel Links Continues

PY0911011094 La Paz HOY in Spanish 4 Nov 94 p 8

[FBIS Translated Excerpt] A narco-terrorist movement, possibly managed by the Colombian Cali cartel and backed by Colombian and Brazilian hired assassins, is operating in the country. Therefore, government authorities have launched a drastic operation in search of the various members of this organization still at large after the "Alcatraz" operation carried out on Tuesday, 1 November, at the Chonchocoro prison.

Government authorities, including President Gonzalo Sanchez de Lozada, disclosed this information and announced that investigations were stepped up after the thwarting of a huge rescue operation that was to take place in the aforementioned prison, an operation in which drug trafficker Celimo Andrade would have been one of the beneficiaries.

Yesterday, while presenting 19 Bolivians and Colombians arrested during the aborted attempt to launch an assault on the Chonchocoro prison and allow for a massive escape, government authorities and members of the Special Antinarcotics Force (FELCN) disclosed that, in view of this situation, police patrols in various parts of the country had been stepped up to fully dismantle the armed groups of the drug trafficking Cali cartel.

Interior Under Secretary Hugo San Martin denied reports that the "Alcatraz" operation "was something made up to distract the people's attention and justify the future imprisonment of Garcia Meza in a prison other than Chonchocoro."

He said that quite the contrary, it was all the result of the discovery of a narco-terrorist plan that would have allowed the breakout of several delinquents, possibly resulting in several deaths, because a large number of weapons prepared for the occasion had been seized.

During a news conference held at the FELCN headquarters, the authorities presented to the media the 19 arrested individuals involved in the aborted assault on Chonchocoro prison to free Colombian drug traffickers.

The FELCN commander also presented new elements that had made it possible to thwart the operation organized by the Cali cartel to try to rescue a group of Colombian traffickers from the Chonchocoro prison.

According to the FELCN commander's explanation, the operation was allegedly organized by "Pacho" Herrera, head of the Cali cartel, and Miguel Andrade. The purpose of the operation was to rescue the Colombians Celimo Andrade (aka Danilo), Marceliano Andrade, Walter Cediel, and Alvaro Cediel and Bolivians Gualberto Cespedes, aka Pata e'bola, and Hernan Gutierrez, aka Nando, as well as other inmates involved in drug trafficking. [passage omitted]

The arrested individuals who were presented to the media, most of them Colombians, are Luis Leon Ramirez; Fabio Azero Moreno; Ramiro Vega Jimenez; Henry Schneider Maschado Gonzales; Maria Sabina Rincon Bautista, wife of Celimo Andrade; and Danilo Alonso Moreno.

The Bolivians are Juan Fernando Balboa Gil, Idelfonso Herrera Layme, Roxana Herrera Aparicio, Lisset Altamirano Quiton, Claudia Justiniano Farinas, Ricardo Cuellar Saucedo, Walter Rodriguez Lopez, and Carlos Estremadoiro Pedriel.

Hernan Hurtado Paz, Martha Ardaya Antelo, Mayza Ardaya Antelo, and Rosario Ardaya Antelo were arrested in Santa Cruz and taken to the FELCN headquarters in La Paz. [passage omitted]

Poll: Public Wants Surplus Coca Crops Eradicated

PY0811204394 La Paz Television Nacional Network in Spanish 0100 GMT 8 Nov 94

[FBIS Translated Text] According to the latest poll conducted by Seamos, 70 percent of Bolivians older than 15 in urban areas believe that surplus coca must be replaced.

The latest opinion survey conducted by Seamos about coca, drugs, and drug trafficking yielded the following results among a group of over 2,000 people older than 15 in urban areas throughout the country. Considering a total urban population of 2.8 million inhabitants, those older than 15 represent 76 percent of the overall urban population in Bolivia.

Concerning coca, 70 percent of these 2,000 Bolivians agree that surplus coca must be replaced. Concerning drug trafficking, 87 percent believe that drug trafficking money benefits only drug traffickers, while 66 percent believe that drug trafficking is negative for the national economy. Moreover, 72 percent believe that the laws to control drug trafficking are weak. Concerning drug consumption, 21 percent know at least someone who consumes drugs, 44 percent believe that there are many consumers in Bolivia, and 76 percent are against the legalization of drugs.

[Begin unidentified Seamos director recording] What is surprising, but pleasant, is that most people want politicians involved in drug trafficking to be punished more severely than drug traffickers. For traffickers they demand severe sentences, but for narco-politicians they

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demand even stronger punishments. This should be a message for many people. [end recording]

According to the Seamos executive director, the results of these polls show that people are aware of the problems, but that a decision must be made now about measures to be adopted.

[Begin Seamos director recording] The new polls show that there is a rejection of drugs. I am not a trafficker and I am not involved, and for this reason I reject drug trafficking. This is the way they think. [end recording]

Seamos directs its campaigns toward prevention and not the rehabilitation of drug addicts, as it considers this to be more effective than repression which, according to the Seamos director, often stimulates greater consumption.

Dangers of Growing Drug Trafficking Viewed

PY0811211494 La Paz PRESENCIA in Spanish 2 Nov 94 p 5

[Editorial: "The Borders of Drug Trafficking"]

[FBIS Translated Text] Drug trafficking could well be compared with the mythical seven-headed Hydra, which according to Greek mythology was defeated and annihilated by Hercules, despite being considered indestructible because when one head was cut off another emerged in its place. Obviously this comparison is relative and is only valid as a reference to the danger created by drug trafficking, which reproduces and seems to strengthen itself in direct proportion to the efforts made to fight it. Thus, the Hydra is insignificant compared with drug trafficking which seems to have 1,000 heads not just seven.

This malignant reproduction phenomenon has been verified following multiple interdiction operations in different regions of our country. The repressive actions carried out for several years by the Mobile Police Unit for Rural Areas (Umopar), with DEA advice and the logistical support of the Armed Forces, have achieved relative success. One must ask why.

The eradication of coca has been carried out simultaneously within the framework of the alternative development policy, which also covers the replacement of coca by other agricultural products. But the goals established annually for the eradication of surplus coca based on volumes agreed with the U.S. Government, have never been fulfilled.

The final balance shows, however, that despite the struggle against drug trafficking—which has been intensified lately—the illegal activity continues to expand. Official reports state how incredibly quickly the top drug trafficking mafia move from one department to another, escaping from zones where the antidrug forces operate and settling in new territory—preferably in the jungle regions far from the traditional red zones.

Based on official reports, as there is no other source of information, the Special Antinarcotics Force (FELCN) reported through a deputy commander that as a result of "Operation New Dawn" in the Chapare tropical region of Cochabamba, the drug traffickers had moved to the extensive Pando Department where they installed new facilities for making and exporting drug.

We know that Pando is not well linked to the rest of the country. Its deficient road infrastructure complicates the mobilization of the antidrug forces by land. The only way to move is by air and river. Doing this requires the planes and boats foreseen in an agreement recently signed by the government and the U.S. Embassy.

A real concern has emerged from this situation because of the danger represented by drug traffickers settling in Pando whose extensive borders are very difficult to control or to prevent the peaceful entrance of foreigners and the smuggling of natural resources. Little by little there will be nowhere in our territory to escape the whirlpool of drug trafficking and its consequences. This is more than enough reason to demand more effort to end the demand for drugs, which is the origin of this evil.

Brazil

Franco Invites Cardoso To Attend Americas Summit

PY0911010894 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 8 Nov 94

[FBIS Translated Excerpt] President Itamar Franco and President-elect Fernando Henrique Cardoso will both attend the Americas summit. The invitation was made by President Franco, who received Cardoso today at 1600 in Planalto Palace. Franco asked Foreign Minister Celso Amorim to come to Planalto Palace to confirm the invitation. The Americas Summit will take place on 9, 10, and 11 December in Miami, United States. The summit will gather the heads of state of North, Central, and South America.

During the meeting, which lasted one and a half hours, Cardoso reported to President Franco on the trip he made last week to Mercosur [Common Market of the South] countries, that is, Argentina, Uruguay, and Paraguay. The two also discussed the objectives of the Real Plan and the draft bill increasing the minimum wage. [passage omitted]

[Rio de Janeiro Rede Globo Television in Portuguese at 2200 GMT on 8 November reports that President Itamar Franco today "invited his successor to attend the Americas Summit in the United States in December. Cardoso promised to respond later."]

Electoral Court Proclaims Cardoso President-Elect

PY0811235394 Sao Paulo AGENCIA ESTADO in Portuguese 1750 GMT 8 Nov 94

[FBIS Translated Text] Brasilia, 8 Nov (AE)—The Superior Electoral Court (TSE) today proclaimed Fernando

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Henrique Cardoso president of Brazil for the term starting 1 January 1995 and ending 31 December 1998. The TSE members thus officially recognized the outcome of the presidential election in which Cardoso obtained 34,377,829 votes. The TSE made the proclamation upon verifying that all legal requirements have been observed in the 283,277 electoral districts spread out in the 26 states, in the Federal District, and in 89 polling stations located in 66 countries.

TSE President Sepulveda Pertence said: "I would like to congratulate the president- and vice president-elect." He added: "I am pleased to note that these are public men whose political positions are different, but they have earned national recognition for the honesty they have shown in their personal lives."

Cardoso obtained 44.09 percent [as received] of the 63,333,510 valid ballots. The next ranking presidential candidate in terms of votes received was Luiz Inacio Lula da Silva with 17,126,784 ballots; that is, 21.97 percent of the total number of ballots. Lula was the candidate who received the most votes in Rio Grande do Sul, with 1,610,379 votes (29.02 percent), and in the Federal District, where he obtained 364,376 ballots (39.84 percent). Blank ballots totaled 7,194,079 and null ballots, 7,445,435. Adding these figures to the total number of valid ballots brings the total voter turnout to 77,973,024.

Cardoso Views NPT, Ties With U.S.

PY0811144094 Sao Paulo GAZETA MERCANTIL in Portuguese 4 Nov 94 pp 1, 3

[Article by Maria Helena Tachinardi from Buenos Aires]

[FBIS Translated Text] Brazil should not remain on the sidelines while major decisions are taken at international forums. This will be the general guideline to be followed by Brazilian diplomacy under the administration of President-elect Fernando Henrique Cardoso.

During an interview granted in Buenos Aires on the evening of 3 November, before boarding a plane for Montevideo, Cardoso said that it is likely that Brazil will join the OECD, a stable nations' club, of which industrial countries are members. Mexico has already been accepted as OECD, member and Argentina is getting ready to become the next.

Brazil is also vying for a seat on the UN Security Council, and yesterday the Brazilian president-elect considered the possibility of his country's adhering to the Nuclear Nonproliferation Treaty (NPT), which Brazilian diplomacy has so far considered discriminatory.

Cardoso stated that "a country like Brazil carries much weight, and therefore ought to have a growing participation in industrial countries' forums." "Who knows, perhaps we will be able to become a member of OECD and of the International Atomic Energy Agency, together with Argentina," he said. Argentina intends to sign the NPT before April so as to be able to participate in the conference to review the said treaty. Despite the fact that the NPT has been somewhat discredited because some NPT member countries like the DPRK and Iraq have not honored their commitment to put an end to the proliferation of nuclear weapons, the Argentine Government deems it important to join up with other countries in signing the NPT to "enhance security measures," as Argentine Foreign Minister Guido Di Tella said.

Asked about the possibility of a closer alignment between Argentina and Brazil's foreign policies under his administration, Cardoso replied: "Whenever possible, yes." He recalled that differences between partners are a common occurrence, like those between France and Germany or between France and the United Kingdom. "Within the framework of an integration process like ours, there are special situations, and an increasing number of such situations are bound to crop up in the future. If we have differences, the two countries' foreign ministries will hold talks to settle them. These are not fundamental differences. They are rather differences over how to act at the international level," such as in the case of the invasion of Haiti and in sending troops to the Persian Gulf.

Yesterday, Cardoso announced a shift in the handling of the issue of Brazil's aspiration to secure a permanent seat on the UN Security Council, which has given rise to a great deal of friction in the political relations between Brazil and Argentina, which is also a candidate for the same position.

When he assumes office as president, Cardoso will tell his aides at Itamaraty to maintain a "low profile" [preceding expression in English] with regard to this question. The new administration's strategy is to strengthen Brazil's image as a stable, trustworthy partner by means of the economic and social measures it intends to implement, as has already been announced. Cardoso reasons that once Brazil has put its house in order, it will become a natural candidate for sitting on the UN Security Council as a permanent member. "Here in Argentina, I have not noticed any different disposition on the part of Menem's administration. Their aspiration is also legitimate. I am absolutely sure that in due course, once the UN Charter is amended, we will work together. It will not be an occasion for bickering but rather for cooperation, without hurting Brazil's continued and legitimate aspirations to become a UN permanent member," he commented. He has therefore softened the stance adopted so far by the Foreign Ministry under Foreign Minister Celso Amorim.

Cardoso further stated that "Brazil is a leading protagonist in international relations, but this does not mean that it will adopt an exclusive stance in its relations with other countries."

The president-elect informed Di Tella about this new position, which Itamaraty will start pursuing as of 1 January 1994. Cardoso told him that scrambling for a

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permanent seat on the UN Security Council does not constitute his overriding concern, as there are more pressing issues to address at the moment.

Cardoso pointed out that, unlike Argentina, Brazil is not in the least interested in furthering an automatic alignment with the United States. "Brazil is not interested in any type of alignment, [no closing quotation marks as published] he noted, while defending the idea of having a stronger presence in the forums of industrial countries, like the Missile Technology Control Regime (MTCR), to which Argentina already belongs. Brazil has been trying to become a member of this group since the Collor administration [1990-1992]. Argentina has also joined the Nuclear Suppliers Group headquartered in London.

The president-elect underscored that relations with the United States have never been as smooth as now. He recalled that the two countries see eye to eye on many issues: Brazil has already proven that it does not intend to manufacture an atomic bomb; it has signed a quadripartite agreement with the International Atomic Energy Agency (IAEA), the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials (ABACC), and Argentina; it has ratified the amendments to the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Tlatelolco); and has submitted to Congress a bill to protect pharmaceutical patents. The government has moreover drafted a bill banning the export of sensitive materials and technologies (having a dual use—for civilian and military purposes), which has not yet been passed by the Senate.

All these steps were instrumental in reducing friction with the United States, and now the two countries agree on many more issues than at the beginning of the decade.

Editorial Previews Cardoso's Foreign Policy

PY0811201294 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Nov 94 p 4

[Editorial: "Basis for Projections"]

[FBIS Translated Text] According to the information gathered during President-elect Fernando Henrique Cardoso's tour of Mercosur [Common Market of the South] member countries, it is possible to conclude that, at least at the very beginning, the next administration's foreign policy will be determined, in a much broader sense, by the strides made in the domestic stabilization program.

This initial stance is totally understandable not only on account of the reforms that the new administration needs to implement during the first year in office. It is obvious that with the redesigning of the whole apparatus of government, the curbing of inflation, and the implementation of a socially riented economic development policy, Brazil's position in international forums will be considerably strengthened and its demands will therefore be given more support and dissemination.

This will not preclude Brazil from pursuing more intense diplomatic action at the regional and even hemispheric level. It is quite revealing that following his unofficial trip to Russia, Hungary, and the Czech Republic, Cardoso should have visited Argentina, Uruguay, and Paraguay in his capacity as president-elect. He obviously wanted to highlight to his partners within the Mercosur the importance that his administration will attach to the development of the bloc—which is about to establish a customs union—as a means to achieving a greater incorporation of this region in the global economy.

A cautious Cardoso tried to convey the idea that there are no longer inflexible schools of thought and that from now on, the progress of the Mercosur will depend on the convergence of interests. Nevertheless, he upheld his country's position on the enlargement of the Mercosur, stressing the importance of incorporating Chile so that the Mercosur may become "the hub of the continent's Southern Cone." The future direction of the project to establish a South-American Free Trade Area (SAFTA) is still an open question, but Cardoso made it clear that Brazil's preferences lie in furthering integration between free trade zones. This does not preclude, however, the signing of bilateral agreements if they contribute to the overall objective.

Basing himself on this ongoing and closer relationship with our Mercosur neighbors, Cardoso launched the idea of Brazil's joining the OECD. Since Mexico became an OECD member thanks to the credentials NAFTA gave it, Argentina and Chile have also been seeking OECD membership. Now that Brazil has stabilized its economy, it may follow suit without prejudice to its partners' aspirations.

This possibility, which is apparently more viable, renders Brazil's candidacy for a permanent seat on the UN Security Council—which is also coveted by Argentina—less pressing. While Brazil's joining the OECD would mean an acknowledgement that the country, together with some of its neighbors, meets industrial countries' market standards, securing a permanent seat on the UN Security Council will involve a complex political question.

It entails reviewing a decision made in the wake of the Allies' victory in World War II in light of the world reality over the last few decades. Despite their great economic power, Germany and Japan are not permanent members of the UN Security Council. Other countries like India, Brazil, and Argentina deem that they have the right to sit on the Security Council on account of the weight they carry at the international level. The president-elect has therefore done well to postpone this discussion until the UN Charter is amended while at the same time abstaining from questioning the validity of any candidacy. Moreover, adherence to the Nonproliferation Treaty (NPT) would only help to enhance the aspirants' credibility.

It is possible to perceive that, despite the fact that the next administration's diplomatic policy is still in the

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making, it seeks to make Brazil more tuned in to the evolution of industrial countries and totally integrated into Mercosur.

Roundup of Electoral Reports

PY0711132294

[FBIS Editorial Report] The following is a compilation of reports on electoral activities in Brazil leading up to the 15 November runoff elections, as monitored through 4 November.

On 29 and 30 October the defeated Workers Party (PT) presidential candidate, Luiz Inacio Lula da Silva, attended six campaign rallies, two campaign walks, two parties, a political debate, and a soccer match in Brasilia and in the cities surrounding the Federal District. This is the second time Lula has campaigned for PT gubernatorial candidate Cristovam Buarque in the Federal District. Lula will return to Brasilia on 11 and 12 November, at the end of the campaign. "Brasilia is like a display window for the rest of the country, and even for the rest of the world. To govern here is essential in order to show the virtues of the PT," Lula said in justifying his efforts. Lula said he wants to bring to Brasilia "at least a part" of the national PT directorate currently concentrated in Sao Paulo. He will probably bring the PT Organization Secretariat. Lula said: "We cannot remain in Sao Paulo. We need someone in the decisionmaking center of the country," which is a view also shared by the PT congressional bloc. (Sao Paulo AGENCIA ESTADO in Portuguese 2057 GMT 30 Oct 94)

According to a poll carried out by the Brazilian Public Opinion and Statistics Institute (IBOPE), the results of which were released on the evening of 31 October, Liberal Front Party candidate Paulo Souto was the choice of 52 percent of those polled in Bahia State. Candidate Joao Durval, from the National Mobilization Party (PMN) received 31 percent. Blank, null, and undecided votes amounted to 17 percent. The poll was carried out from 22 and 25 October among 2,000 Bahia citizens. (Sao Paulo AGENCIA ESTADO in Portuguese 2225 GMT 31 Oct 94)

A Vox Populi poll conducted among 8,150 voters in 313 counties from 26 to 29 October indicates that the Brazilian Social Democracy Party (PSDB) gubernatorial candidate for Minas Gerais State, Eduardo Azeredo, has increased his advantage over former Deputy Helio Costa (Popular Party). Azeredo is now supported by 47 percent of the voters, while Costa received 41 percent. The poll also indicated that blank votes will amount to 8 percent and void votes 4 percent. In the last poll, conducted on 26 October, Azeredo was supported by 44 percent of the voters and Costa by 42 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 1931 GMT 1 Nov 94)

IBOPE has released poll results on the gubernatorial runoff elections in Paraiba and Para states. If the Para State elections were held today, PSDB candidate Almir Gabriel would receive 51 percent of the votes and Progressive Renewal Party candidate Jarbas Passarinho 38 percent, while blank, void, and undecided votes amount to 11 percent. If the Paraiba State elections were held today, Brazilian Democratic Movement Party (PMDB) candidate Antonio Mariz would receive 49 percent of the votes and Brazilian Labor Party candidate Lucia Braga 40 percent, while blank, void, and those still undecided total 11 percent. For this poll IBOPE interviewed 1,200 voters in Paraiba and 1,000 in Para from 26 to 31 October. In Espirito Santo State, a Gallup Institute poll carried out among 800 voters between 31 October and 2 November gave the following results: PT candidate Vitor Buaiz would receive 50 percent of the votes and Democratic Social Party (PSD) candidate Cabo Camata 37 percent, while blank and void votes and undecided voters would total 13 percent. (Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 4 Nov 94)

According to a Vox Populi poll carried out among 769 people in Espirito Santo between 29 October and 1 November, if that state's gubernatorial runoff elections were held today, PSD candidate Cabo Camata would receive 49 percent of the votes and PT candidate Vitor Buaiz 41 percent. According to the poll, blank votes would total 3 percent, void votes 2 percent, and 5 percent of the voters remain undecided. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Nov 94 p 7)

The new Congress will have rural, evangelical, and labor union blocs, as well as personal blocs. For example, former Bahia Governor and Senator-elect Antonio Carlos Magalhaes controls 25 votes in Congress; former Para Governor and also Senator-elect Jader Barbalho controls 17 deputies' votes; and former President Jose Sarney has a bloc of 13 faithful friends. Finally, nouveau riche former Minas Gerais Governor Newton Cardoso has nine deputies who do everything he orders. (Sao Paulo VEJA in Portuguese 26 Oct 94 p 43)

Rudi Loewekron, electoral judge for the 13th voting district in Rio de Janeiro, which has the largest number of voters, yesterday asserted that the second round of elections for federal and state deputies are not safe from new attempts at fraud. Loewekron said that the electoral court is unable to investigate the charges of fraud made "every day." "The police must investigate the charges," the judge said. Meanwhile, the Rio de Janeiro Federal Police Superintendency did not say anything on the subject. The judge predicted that more fraud will be committed and people arrested during the runoffs, and he blamed the political parties for the situation. "If they maintain in their cadres the same criminals and dishonest poll watchers, more fraud will occur," Loewekron said. The 13th voting district judge could not tell how many voting station officials and scrutinizers have already been approached by fraud gangs, but he said that the attempts are being made under the disguise of "consultations." "Several people come close to our scrutinizers asking 'innocent' questions, pretending to make

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a joke, wanting to know how the vote tally can be modified on the computers," Loewekron said. He criticized the Federal Police's lack of dedication in the investigations. "The Federal Police is not doing anything," he said. At the beginning of the week Rio de Janeiro Electoral Court Supervisor Paulo Cesar Salomao also said that the investigations opened up by the Federal Police "will not lead anywhere" given their lack of interest in finding those guilty. Judge Loewekron said that there is no time to replace the 6,356 voting station officials and scrutinizers, or to study the records of those who will work on election day and on the vote scrutiny. According to a Superior Electoral Court (TSE) determination, the Federal Police were supposed to analyze the police records of all the voting station officials and scrutinizers who will be summoned to work. Judge Loewekron said that the Federal Police has no means for doing this. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Oct 94 p A9)

The Congressional Advisory Interunion Department (DIAP) has reported that the number of congressmen in the so-called 'family' bloc, that is, congressmen who are related to other congressmen or to state politicians, increased from 32 to 62 deputies and senators after the last elections. Although these congressmen do not vote along the same lines, and do not belong to the same party, they have in common the fact that they are relatives of other politicians or were elected to provide support from Congress for their state-level relatives. Among the largest family we find former Paraiba Governor Ronaldo Cunha Lima who, besides having been elected senator, has had his son Cassio and his brother Evandro elected as federal deputies, and even placed his other brother Renato as second alternate member for a Senate seat. In Para, former Governor Jader Barbalho, who was also elected senator, has had his former wife Elcione and his nephew Jose Prianti elected deputies, beside placing his own brother as his alternate in the Senate. "These people have political power," said DIAP director Antonio Queiroz. "The elections for deputies were eclipsed by the presidential elections, which explains why well-known surnames were favored." Not even that is necessary sometimes. The third generation of Pernambuco Governor-elect Miguel Arraes has also stepped into politics, despite not carrying his surname. Such is the case of his grandson Eduardo Campos, from the Brazilian Socialist Party, a former state deputy who has now been elected federal deputy. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Oct 94 p A12)

Court Ruling Feared To Jeopardize Economic Plan

PY0911011994 Sao Paulo AGENCIA ESTADO in Portuguese 2204 GMT 4 Nov 94

[FBIS Translated Text] Sao Paulo, 4 Nov (AE)—Investcorp, a small Rio de Janeiro-based bank with a net worth of $12.5 million and $35 million in assets, has cleared the way for owners of government bonds to collect approximately $2.4 billion; that is, nearly 0.5 percent of the gross domestic product (GDP, all that the country produces in one year). On 3 November, Investcorp obtained a court ruling that forces the government to pay in full the respective earnings on government bonds duly adjusted on the basis of General Market Price Index (IGP-M) calculated by the Getulio Vargas Foundation. The Investcorp lawsuit entails $800,000 and the ruling was handed down by Federal Judge Mauro Braga. Up to now, only temporary injunctions had been issued against the government. If all government bond holders demand that their bonds be adjusted based on the IGP-M, the Brazilian treasury will have to disburse $2.4 billion.

Investcorp executives themselves voiced surprise at the significance attached to the court ruling, particularly after Finance Minister Ciro Gomes said that the ruling would put the government's economic policy in jeopardy. Eugenio Pinho Vargas, financial director of Investcorp, said: "We have not yet digested the matter." Investcorp has nearly 200 clients for whom it performs operations concerning stocks, corporate finance, privatization, and underwriting. The superintendent of another bank that had already won an injunction against the government said: "It is ridiculous for the government to be concerned about this." He added: "By reacting in this way the government is placing itself on the sidelines."

Finance Minister Evaluates Problems

PY0811185894 Rio de Janeiro O GLOBO in Portuguese 6 Nov 94 p 48

[Interview with Finance Minister Ciro Gomes by Silvia Faria and Regina Alvarez; place and date not given]

[FBIS Translated Text] [O GLOBO] What has been the greatest hindrance to the stabilization process during your two months as finance minister?

[Gomes] Something I have known for a long time: A conservative hatred and fear of change. This has been depicted in criticism and a caricature of the way I talk. As people in this category cannot call me a thief or rebuke my decisions, they have, instead, chosen to rebuke my position. I have been a public servant for 14 years and am aware of this sort of shameless behavior. I am now seeing it from within.

[O GLOBO] Is this conservative attitude widespread?

[Gomes] No. It exists particularly within this ministry (Finance Ministry). I learned in Brasilia that ministries have their own culture, their own soul, making it difficult to change course. Ministries are disconnected from an organic vision of the country and only defend the interest they administer.

[O GLOBO] But does the Finance Ministry not challenge those interests? Other ministries continuously complain that the Finance Ministry ignores their interests.

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[Gomes] In some respects yes. The Finance Ministry is the tutor of the current financial model. For a long time it tutored industrial protectionism. Then I came, broke that protectionism, and started investing the area of credits, liquidity, and financial interests. I will never be forgiven for that.

[O GLOBO] What are the economic prospects in the final period of this administration, particularly regarding supply and prices?

[Gomes] The Real Plan may be faced with three problems: Increased international commodity market prices; exhausted industrial supply capacity; or a generalized drop in consumption. We do not expect anything odd and will resolve all problems with a disciplined administration of the economy.

[O GLOBO] Did imports cause a real impact?

[Gomes] We need more time to see results. Non-tariff barriers in the country are a scandal. People go to any extent to protect their petty interests in what amounts to an attack on consumers. Imported medicines that have been approved by the U.S. Food and Drug Administration, for instance, cannot enter the market without first being approved by a local laboratory. And these people want me to believe this is the exercise of national sovereignty.

[O GLOBO] Will it take long to implement measures to contain consumption?

[Gomes] No. It is hard to imagine all the variable we must contemplate. The attack on credit reminds me of the saying: "If people knew how laws and hot dogs are made..." I would only add: If people knew how laws, hot dogs, and economic plans are made...

There comes a point when one must be somewhat arbitrary. For example, how did we arrive at the 15 percent compulsory deposit on credits? We are learning by trial and error. We just implement the hardest measure first, because we do not want to risk losing the plan, then, if the case merits, we will loosen up a bit.

[O GLOBO] How do you evaluate the effects of these measures so far?

[Gomes] In general terms, those measures worked on products that already showed signs of collapse (durables and semi-durables). We know that some banks have fouled our controls, using mechanisms that we are investigating.

[O GLOBO] Are entrepreneurs boycotting the plan?

[Gomes] I have never said that. I am not stupid, but I think their attitude contradicts the idea of the stabilization plan. I do not know if they are organized, if they meet, if they have some strategy, or if they finance journalists or some opinion groups. They are basically hostile to the stabilization plan because they can no longer profit from inflation. Some, perhaps, even depend on inflation to survive. That creates resistance against stability, but we have no confrontation. No one would ever believe I want to fight. I like affection, peace, understanding. But the interested parties who need inflation to survive are active militants. For them, it is a life or death struggle.

[O GLOBO] Will measures to restrict consumption remain for a long time?

[Gomes] No. I believe they will be lifted at the beginning of next year because imports will start entering our market and demand will have adapted by that time. People will stop purchasing once they reach their new consumption level.

[O GLOBO] Did the automatic adjustment of salaries by the IPC-R [Consumer Price Index-Real] create inflationary expectations?

[Gomes] Yes. We do not want indexation. It was a compromise we had to accept from Congress to have the real plan approved. This was not part of the original plan. We have the IPC-R, the Ufir [Reference Fiscal Unit], the TR [Reference Interest Rate], and a series of indexes that are used as elements of transition. We will no longer need indexation once we can be sure hyperinflation has been defeated and we can determine the country's real inflation rate, without considering added inflation percentages caused by the drought that is affecting the entire country.

[O GLOBO] The 1995 budget has a deficit of 9.5 billion reals. Is the economic team studying new measures to cover this hole?

[Gomes] Nothing is being prepared. That deficit is irrelevant. There are many ways to solve that problem: We can obtain funds through the privatization program; an increase in economic activity can produce more revenues; or we can introduce spending cuts. I do not think it is feasible to cut spending more because we already have a lack of investment in energy, laboratories, and hospitals.

[O GLOBO] Do you conceive a scenario where you have to increase taxes even more?

[Gomes] Of course. Some economic groups do not pay a cent in taxes. But I cannot report them because they are protected by fiscal secrecy regulations. The 50 richest people in the country pay less taxes than us two.

[O GLOBO] What about your plans for the future. Will you go to Harvard?

[Gomes] Oh, yes. I will write a book on the political aspects of Brazilian inflation. After my experience at the Finance Ministry I can fully identify those aspects. I will tell the story so that people will fully understand who is responsible for our inflation.

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States Join Anticrime Operation in Rio de Janeiro

PY0811210094 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 8 Nov 94

[FBIS Translated Text] The antiviolence campaign in Rio de Janeiro has scored its first victory.

State Governor Nilo Batista said he is satisfied with the first victory of the state police organizations and the Armed Forces against organized crime. It has been reported that two drug traffickers have abandoned their activities in Rio de Janeiro and have fled to another state.

This information was released by the governor during the ceremony dedicating the integrated radio communications network, which will expedite the work of security forces in the state, interconnecting the civil police, the military police, the fire department, the Military Household, and the Penitentiary System Department, Desip [Departamento do Sistema Penitenciario].

General Edson Mey, chief of the Eastern Military Command, who attended the ceremony, declined to give his opinion on possible problems between the Armed Forces and the state government. He said that any official information will be released by the Army Public Relations Office, whose function is to release information to the press.

Mey announced that the antiviolence campaign will start before the runoff elections.

Meanwhile, the anticrime actions in Rio de Janeiro are inevitably causing concern among the public in Espirito Santo because of the migration of criminal gangs from Rio de Janeiro to Espirito Santo—a fact that could cause anyone uneasiness.

In light of this, the state Pubic Security Secretariat has started the War and Peace operation, which aims at closing the state to criminals.

Espirito Santo Security Secretary (Nicio Lacorte) this weekend said emphatically that the arms he has are very outdated for any confrontation with the traffickers' heavy weapons.

Over the past few days the criminals who were expelled from Rio de Janeiro have already engaged in three actions in Espirito Santo: a bank holdup and two abductions.

With its hands up, Espirito Santo is—in the final analysis—shouting for help.

In Parana, 30 armed policemen are reinforcing control on the BR-277 highway with access to Foz do Iguacu.

The operation seeks to prevent Rio de Janeiro traffickers from reaching the border with Argentina and Paraguay. The policemen are checking documents and searching cars and buses to fight the smuggling of arms across the border.

In Rio Grande do Sul, the police will set up checkpoints on the highways to prevent fugitives from Rio de Janeiro from entering the state.

The federal, civil, and military police will implement a joint operation to this effect. Police Inspector Eron Santos, Federal Highway Police security chief, said the operation is being studied and could be unleashed at any time.

He explained that checkpoints will be set up on state and federal highways leading to Rio Grande do Sul, especially in the border areas. Surprise operations will also be staged at state ports and airports.

Government Initiates Program To Control Child Labor

PY0811211394 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 8 Nov 94

[FBIS Translated Text] The government is concerned about the professional training of minors. In Brasilia today, Labor Minister Marcelo Pimentel set in motion a program to control work by children and adolescents.

The program, implemented by labor supervisors, will train 40 monitors who will control the exploitation of children in Brazil.

Pimentel said that investing in education is one of the alternatives for eliminating the exploitation of children.

[Begin Pimentel recording] The problem does not deal with street children, about whom so much has been said. Their case is absolutely insignificant; street children represent a social problem that we obviously have to resolve, but it is not the problem about which we are now concerned. We are actually concerned about the education of minors, because circumstances have delayed their education. Minors do not attend school, and do not receive professional training. We recently signed an agreement with the Education Ministry for comprehensive use of the CIAC's [Integrated Centers for Assistance to Children] throughout our territory, so that they can give technical training to minors. I hope the next government will be able to use the programs that are being studied at the Labor Ministry, which will not be implemented because of the time shortage. [end recording]

To gain an idea of the situation, 43 percent of the Brazilian population engaged in economic activities is made up of children between 14 and 18 years of age, who work to help their families.

Accord on Efforts To Combat Child Labor Signed

PY0911013194 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 8 Nov 94

[FBIS Translated Text] The government has decided to carry out a joint control effort to combat illegal child labor. The Labor Ministry, the Attorney General's Office, and the Federal Police will together combat and

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prevent slave labor and illegal child labor. This agreement was signed today among the three mentioned organizations, which also promised to combat the violation of the workers' security and health rights, especially in rural zones.

According to Labor Minister Marcelo Pimentel, this joint action will make it possible to more quickly and easily control the violations of workers' rights.

The Labor Ministry permanently registers charges of slave labor and exploitation of child labor in Brazil. One of the most recent charges was made by UNICEF, which claimed that more than 1,000 children are allegedly working in subhuman conditions in shoe workshops in interior Sao Paulo.

The Labor Ministry is also investigating charges of exploitation of child labor in other economic sectors, such as the sugarcane mills, coal mines, and quarries.

Government Studying Drug Enforcement Legislation

PY0811204194 Sao Paulo AGENCIA ESTADO in Portuguese 2126 GMT 7 Nov 94

[Report by Sonia Cristina Silva]

[FBIS Translated Text] Brasilia, 7 Nov (AE)—The government is designing a bill to modernize Brazilian drug enforcement laws. On 15 November the Federal Narcotics Council (Confen) will submit to Justice Minister Alexandre Dupeyrat a proposal for enforcing proportional penalties for crimes, and for regulating activities that facilitate investigations, like phone bugging and the lifting of bank secrecy. On 9 November a draft provisional measure will be submitted to the minister to regulate control over chemicals that are used as the raw materials for producing cocaine.

National Narcotics Secretary Matias Flach, president of Confen, explained today that the Brazilian drug enforcement law—Law 6368, dated 1976—causes unfair situations, as it provides for equal punishment for traffickers, for those involved in organized crime, and for drug users. "We must redefine responsibilities, but we should never legalize the use of drugs," Flach said. The idea is to enforce stricter penalties for traffickers and organized crime members, who are the main target of government officials. "Traffickers should not be mistaken for users," the Confen president said.

"Today, if a student is caught giving a marijuana joint (a marijuana cigarette) to his girlfriend, he is charged with committing a heinous crime, a drug trafficking crime, and may not be released on bail, and is subject to confinement," he explained. "It is necessary to discriminate between consumers, traffickers, and criminals," Flach added. He said consumers might be sentenced to alternative penalties, such as fines or rehabilitation measures. "We must enforce penalties that are proportional to the seriousness of the crime," Flach said.

The draft bill also sets regulations for the lifting of bank secrecy, phone bugging, monitored supplying (waiting for a crime to be committed in order to take action) and other measures that can broaden the scope of police action. "Yet we should always respect human rights," he said.

The provisional measure regarding the chemicals used for producing cocaine (ether, acetone, hydrochloric acid) proposes that the Federal Police replace the Health Ministry in the function of controlling Brazilian manufacturers and the final destination of the products. The idea is to prevent the use of those chemicals for the production of coca in other countries, like Bolivia, Peru, and Colombia.

Intensified Border Control Planned To Curb Drug Flow

PY0911112194 Sao Paulo AGENCIA ESTADO in Portuguese 1643 GMT 8 Nov 94

[FBIS Translated Text] Sao Jose dos Campos, 8 Nov (AE)—Aeronautics Minister Brigadier Lelio Viana Lobo today said he intends to increase air space patrols in the border regions to curb the entrance of drugs into Brazil, especially in the Amazon region. The lack of a military security system for that area has facilitated drug flights for several cartels. In the face of this problem, Minister Lobo will intensify air control through the Amazon Region Protection System (Sipam). "We will be able to control and reduce, as much as possible, the entrance of air traffic into our territory," he said.

The Armed Forces intend to establish border brigades along the national territory and use the Sipam airplane-tracking radar complex to control flights. The border brigade units are being equipped with war and surveillance material for emergency combat. Military personnel from different Brazilian states are being stationed in the Army air brigade units in the legal Amazon region. The idea is to prevent, through a more efficient role on the part of the military apparatus, the invasion of the land and air territory by drug traffickers from the Andean countries.

These new military units will work within the characteristics of the Amazon Region Surveillance System (Sivam), the armed branch of the Sipam. In the Amazon region, for example, the border patrols will be carried out by 80 armed Super Tucano airplanes, developed especially for this purpose by the Brazilian Aeronautics Company (Embraer). The Sivam will receive nine Brasilia airplanes equipped with French radars and sensors to detect airports. The Sivam will also receive subsonic AMX fighter planes and Piranha missiles. There is also a possibility of acquiring a British HS jet.

The Army is in the final stages of a bid to purchase 50 light helicopters for its brigades, and it is buying light weapons like machineguns and other types of guns. All this war materiel, according to the aeronautics minister,

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will be used for drug enforcement. The Aeronautics Ministry has built, at the Calha Norte military project in northern Brazil, more than 10 airports to ensure the creation of new settlements in the border areas and greater control in those places. "No one can control the borders. No country in the world has managed to do so up to the present, but we will dedicate all our efforts to this," Minister Lobo said.

Prevention of UN Controls on Mahogany Exports Sought

PY0811212094 Sao Paulo AGENCIA ESTADO in Portuguese 2059 GMT 7 Nov 94

[By Diana Fernandes]

[FBIS Translated Text] Brasilia, 7 Nov (AE)—Based on recent information on the destruction of forests and sale of lumber in Brazil, the Brazilian Government will try to prevent the Ninth Conference of the Convention on International Trade of Endangered Species (CITES) from restricting Brazilian mahogany exports. At the conference, which began today in Florida, the United States, The Netherlands proposed that the United Nations put mahogany trade under international control. Brazil will show that it can control mahogany trade with its own legislation.

The Brazilian delegation to the conference will claim that the adoption of international measures restricting mahogany trade can cause the opposite effect. Specialists believe that restrictions will hinder even further the lumber sector's efforts to adapt itself to the measures that were recently adopted by the government. Furthermore, such restrictions will encourage the use of illegal forestry exploitation methods, to the detriment of domestic efforts aimed at discouraging them.

The Brazilian delegate to the conference—diplomat Sergio Moreira Lima, of Itamaraty's Environment Division—will tell the gathering, which will be attended by delegates of 124 countries, that "there is not sufficient technical-scientific evidence to justify at this moment the inclusion of mahogany in Annex II of the Convention." This Annex includes the species for which special export permits are requested. Orchids and amaranth are included in the Annex.

As the world's largest mahogany exporter, Brazil will be strongly harmed by the measures. The Netherlands' intention is, precisely, to hit Brazilian lumber entrepreneurs. Moreira Lima will show that the studies made by Embrapa [Brazilian Agriculture and Livestock Research Enterprise] and by a Puerto Rican forestry science institute concluded that—contrary to what The Netherlands has claimed—the species is not endangered. He will also show that Brazilian mahogany exports have dropped since last year, when the government established strict control measures: In 1989, exports reached 174,000 cubic meters, as compared to 112,000 in 1993.

The Brazilian Government considers that the adoption of international restrictions on mahogany trade will have socioeconomic repercussions that will be negative for development of the Amazonas region and of the lumber sector. "In addition, the set of measures that Brazil adopted for streamlining forestry exploitation will be affected," an Itamaray Environment Division report says.

Among the measures that Moreira Lima will present as Brazilian initiatives for controlling mahogany trade is the preparation, within the short term, of a forestry inventory in the Amazonas, in order to have a better evaluation of species, especially of mahogany. Thereafter, a zoning system will be established in specific areas for exploitation. Moreira Lima will also mention a presidential decree dated 19 October 1994, establishing that the exploitation of native tropical forests in the Amazonas basin will be permitted only if performed under a sustainable forestry management system.

Colombia

Minister Views Coming Changes in Armed Forces

PA0911031294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 8 Nov 94

[Telephone interview with Defense Minister Fernando Botero by Caracol news director Dario Arizmendi in Bogota and reporters Guillermo Rodriguez and Javier Ayala in Villavicencio; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Text] [Arizmendi] We have Defense Minister Fernando Botero on the line. Good morning, Mr. Minister.

[Botero] Good morning, Dario.

[Arizmendi] There has been a lot of speculation these past few days about changes taking place in the Colombian Army this very week. Can you confirm this?

[Botero] I have been very much amused by those completely groundless reports. The truth is that I spoke with President Samper last night, and we agreed to meet on Thursday or Friday of this week. We had not discussed the subject at all before that time. We will meet and talk about it this week. Everything reported so far on this subject belongs more to the realm of imagination than reality.

[Arizmendi] Mr. Minister, it is not imaginary that changes usually take place about this time of year, when officers are promoted to major general.

[Botero] True. Particularly before 1 December, there are usually some changes and adjustments regarding candidates for major general [words indistinct] decide to retire from active duty.

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[Arizmendi] Mr. Minister, let's see if we can improve the quality of communications with you, given the importance of this and other subjects. Let's keep in mind that there are three major generals who, according to their time in the service, are up for promotion to the rank of three-star general. They are the commander general of the Colombian Armed Forces, the chief of the Joint Staff, and the Army commander. We will try again and see if the sound has been improved.

[Botero] Hello, Dario, can you hear me?

[Arizmendi] Perfectly. Will General Gil Bermudez stay in his post, or will he step aside to make room for some of his fellow officers?

[Botero] Dario, that is one of the subjects I will discuss with President Samper. There are currently three three-star generals in the Army. In addition, and as far as I can remember, three two-star generals are about to complete their time in service and could either be promoted or retire. We will have to decide what is best for the country. That is what President Samper and I must decide this week.

[Arizmendi] Mr. Minister, does that mean there would be six generals for three positions? Three of the generals would have to retire.

[Botero] That is true, and that is how the situation stands, at least in the Army, where the three-star positions are already filled by the General Commander of the Armed Forces, the Chief of Staff, and the Army Commander, all of whom are three-star generals.

[Arizmendi] Wouldn't there be changes in the Air Force and Navy, where such congestion, so to speak, does not exist?

[Botero] There is no such congestion in the Air Force, but there will be in the Navy as of December, because two officers will have met their time-in-service requirements for promotion to the rank of three-star admiral, and there is only one opening. A decision will also have to be made there.

[Arizmendi] What criteria will the government use for handling the discharge of three generals in the Armed Forces?

[Botero] The criteria will first be what is best for the country, and second, what best fits President Samper's objectives and proposals regarding national security. I think that would be the most fundamental criteria for making the decisions this week.

[Arizmendi] Apart from movements at the uppermost ranks, will there be rotations or discharges of many officers at other levels in the Armed Forces?

[Botero] Apart from movements at the uppermost military ranks, there are a certain number of important transfers and appointments, which represent a reorganization of the entire military echelon in the country's various departments and brigades, hence the importance of these decisions. Normally, when a commander of each military branch is chosen, the commander proposes to the minister a reorganization of the entire command structure under his authority. Normally, decisions on appointments and transfers will have been made by that time. These are very important decisions because they determine which officers will head the country's various sensitive areas of public order.

[Arizmendi] Is this an exclusive decision made by you and the president, Mr. Minister?

[Botero] Really it is the president's decision. Usually the defense minister makes a proposal, and the president receives and amends it.

[Arizmendi] Will the country learn about these changes in the uppermost ranks this weekend?

[Botero] The idea is to make the changes as soon as possible [words indistinct]. A decision will be made tomorrow or the day after.

[Arizmendi] Are these changes normally accepted by the Armed Forces without any trouble? Are they just part of the yearly routine?

[Botero] In principle, yes. But naturally there has been a lot of expectation, some nervousness, and a great deal of tension over these past few days. All that is natural. I do not want to prolong the agony any further. I want to decide as soon as possible.

[Arizmendi] So you are saying that what a magazine reported and what a television newscast broadcast last night is not necessarily true?

[Botero] Not in the least. I said I had fun reading it, but the truth of the matter is that we have not sat down with President Samper even once to discuss this.

[Arizmendi] My coworkers Guillermo Rodriguez and Javier Ayala are in Villavicencio. As everyone knows, the road between Bogota and Meta Department is closed between 0630 and 1700 today.

[Rodriguez] Good morning, Caracol listeners. Good morning, Mr. Minister. I am talking to you from (Pico de Guayabetal). People in El Guavio are demanding—apparently they addressed a letter to you—that the Apiay Military Airport accept commercial flights at certain times of the day. Is that possible, Mr. Minister, to help reduce the difficulties people are going to face from now on?

[Botero] The ministry is well aware of the situation on the road to El Llano, not only of the need to improve patrols and increase their presence there to prevent security problems, but to control an area vital to the capital's public order. I have received several requests to use the Apiay base, and we are going to study this very carefully to see if we can help alleviate the serious

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problems people in Meta Department people will face with the closure of this road.

[Ayala] Mr. Minister, excuse me for going back to the original topic. Will there also be changes to the Police General Command?

[Botero] That is part of the decision, Javier, because we also have to examine whether we should make changes in the police and what changes should be implemented. We will include the police topic within the same package to be analyzed.

[Ayala] Is there a filter in the police system like there is in the Army?

[Botero] No, the situation there is quite different.

[Arizmendi] Then the changes would be made for other reasons?

[Botero] There may or may not be changes.

[Arizmendi] The thing is, sir, that more than 100 officers were moved recently.

[Botero] There were changes made in the police force, yes.

[Arizmendi] There is also talk about (Gen. Rosso) returning or being appointed general director of the police.

[Botero] There is no final decision on the police force issue. The matter will be discussed during the meeting with President Samper, but the problem is not as significant as it seems.

[Arizmendi] Is the so-called scuffle between Gen. Edie Alberto Pallares and (Gen. Rosso) significant?

[Botero] Gen. Pallares is an Army commander.

[Arizmendi] What about Gen. Guillermo Diettes?

[Botero] Yes, there was Gen. Diettes and Gen. Serrano, but I do not believe there is such a struggle. I read it yesterday in SEMANA, but I have no official confirmation.

[Ayala] Mr. Minister, there is concern in Venezuela because Colombian guerrillas continue to operate in their territory and attack Venezuelan troops. A report issued yesterday by VENPRES, an official Venezuelan news agency, quoted Venezuelan officials as saying that Colombia is incapable of stopping the guerrilla operations inside Venezuelan territory. What will the Colombian Government do? How does it plan to alleviate the tension between the two over this business?

[Botero] We have decided to carry on and enhance the relationship the two Armed Forces have developed over the last few years. This is a healthy policy that promotes integration between the defense ministers of Venezuela and Colombia, as well as between the general commanders, brigade commanders, colonels, majors, captains, and so on. This integration process is vitally important because it allows us to solve many problems at the middle and lower levels before they become high priority diplomatic issues. Befor President Samper's visit to Caracas, for example, we held a meeting with the Venezuelan military top brass at the Defense Ministry. Now the Venezuelan defense minister has been invited to pay an official visit beginning on 22 November. So you see, we are very close and enjoy a high degree of integration with the Venezuelan commanders and officers, and we plan to enhance this policy.

After the incident in Apure, we proposed joint border patrols. I saw in today's paper that Venezuela has proposed holding a border security summit. Although I have not yet discussed this with the president and the foreign minister, I personally have no objection to such a meeting. Only through the joint effort of the two armed forces on both sides of the border will we really be able to eliminate the threat posed by the terrorist operations of the Army of National Liberation near the border. I believe joint operations by the two Armed Forces are the best way to reach this common objective, which is to defeat the armed subversives operating along the Colombian-Venezuelan border.

Foreign Minister Expects Cuban Trade To Double

PA0811152794 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 8 Nov 94

[FBIS Translated Text] Colombia and Cuba have signed a trade agreement for the coming years. Colombia initiated a second stage of negotiations with Cuba. Our nation will duplicate its exports to the island; these will total $40 million in the first three months of 1995. Foreign Relations Minister Rodrigo Pardo signed in Cuba a trade agreement with Cuban leader Fidel Castro.

[Begin Pardo recording] Colombia and Cuba have been engaged in small scale trade; however, it is swiftly growing. This year we will double last year's trade. The opening of some sectors for foreign investment in Cuba is becoming a big opportunity for Colombia. [end recording]

At the Ibero-American Summit to be held in December in Miami, the foreign minister said there will be a joint presentation by all the nations of the world on drug trafficking and the illegal acquisition of goods.

Botero Reportedly Meets With FARC

95P20141

[FBIS Editorial Report] The 1 November issue of Santa Fe de Bogota Spanish-language magazine SEMANA reports on page 29 that Defense Minister Fernando Botero met "a few days earlier" with a man claiming to represent several fronts of the FARC [Revolutionary Armed Forces of Colombia] interested in pursuing peace

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negotiations with the government. According to the report, which appeared in the magazine's "Confidential" column, the alleged FARC representative contacted two unidentified "high-level" government officials requesting their assistance in arranging the meeting which subsequently took place in Medellin. No details were reported on the outcome of the meeting.

Paraguay

Venezuela's Burelli Rivas Visits; Imports Viewed

PY0911011494 Asuncion ABC COLOR in Spanish 8 Nov 94 p 23

[FBIS Translated Text] Shortly after arriving in our country on an official three-day visit yesterday, Venezuelan Foreign Minister Miguel Angel Burelli Rivas said Venezuela is interested in increasing imports of Paraguayan products like cotton and soybeans, but more trade lines are required. By the end of 1993, the trade balance favored Venezuela by $3,145,420. At the Foreign Ministry, our government will decorate Burelli Rivas at 1115 today.

The Venezuelan foreign minister said the geographical distance between Paraguay and Venezuela represents an obstacle for increased trade between the two countries. Given this unchangeable situation, however, the two governments must increase trade lines, allowing Venezuelans to visit Paraguay to become acquainted with this country and vice versa.

Burelli Rivas pointed out: "We are purchasing cotton and soybeans from you and we are selling lubricants to you. As agreements increase within the market opened throughout the Americas, we will have more interest in all types (of products)." Burelli Rivas was met at 1335 yesterday by his Paraguayan counterpart, Dr. Luis Maria Ramirez Boettner.

The main products exported by Paraguay to the Venezuelan market are: cotton fibers, soybeans (under miscellaneous products), vegetable oils, meat, lumber, and manufactured products. By the end of 1993, Paraguayan sales to Venezuela totaled $578,750.

Our country imports some Venezuelan products like fuels and lubricants, plastic materials, tires, metals and manufactured metallic products, machinery, equipment and engines, textiles and textile products, chemical and pharmaceutical products, and beverages, among other products. According to data supplied by ProParaguay [expansion unknown], based on a Paraguayan Central Bank (BCP) report, Paraguayan imports totaled $3,724,170 by the end of 1993. Therefore, our trade balance deficit with Venezuela totals $3,145,420.

Concern Over Social Problems

After his first working meeting with his Paraguayan counterpart last night, the Venezuelan foreign minister said they reviewed Latin American problems like the lack of proper education, timely medical assistance, prompt justice, and prospects. He added: "There never was hunger in Latin America. Now Latin America has begun experiencing it. This has been prompted by a huge and disorderly population growth that has caused social neglect, crime, and so on."

Future Agreements

Burelli Rivas noted that, during the working meeting, which began at 1730 and ended at 1945, he discussed the possibility of signing economic, cultural, and antinarcotics cooperation agreements and a possible direct air transport connection between Paraguay and Venezuela trincgh the Paraguayan-Ecuadoran consortium "America's Skies" and a Venezuelan airline company.

Burelli Rivas noted that Venezuela was invited to join Mercosur [Common Market of the South]. He indicated that Venezuela is in the process of joining it. Venezuela is an Andean Pact (also made up of Bolivia, Peru, Ecuador, and Colombia) member and, if it wants to join the Mercosur, it will have to give up its economic bloc and wait five years to become a signatory partner. Nevertheless, Veiples ofmay try to become a trade partner like Bolivia and Chile are doing.

Peru

Government Denies Boycott Against Perez de Cuellar

PY0911011394 Madrid EFE in Spanish 1741 GMT 8 Nov 94

[FBIS Translated Text] Lima, 8 Nov (EFE)—Victor Joy Way, second vice president of the Peruvian Congress, has denied that the government is blocking Javier Perez de Cuellar's presidential candidacy, as the latter has asserted.

In statements published today by Lima dailies, Joy Way said it is a "fantasy" to say there is a plot against Perez de Cuellar, who on Sunday, 6 November, said that "unidentified individuals" are trying to boycott his candidacy through "a coordinated action."

Perez de Cuellar offered as proof of this "the insistent rumors circulated these past days regarding the alleged withdrawal of my candidacy," and added that "we are aware of the existence of a campaign to boycott our participation in the 9 April 1995 elections."

Joy Way also denied having met with with other legislators of the governing bloc to plan a campaign against the former UN secretary general, according to charges made by political commentator Harold Forsyth.

The second vice president of the Peruvian Congress said that the rumors that some 200,000 voter registration cards are in the hands of the military, who do not vote, worry him because "it suggests the possibility of electoral fraud."

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These registration cards were given to the military for security reasons and to make them appear as civilians in the areas in a state of emergency due to activities of terrorist groups.

Moreover, Joy Way has disclosed that the aforementioned voters identity or registration cards, necessary to exercise the right to vote in Peru, do in fact exist.

He added that the number of them "is minimal, and we know who they were given to." He asserted that in the emergency zones under military supervision, where individual rights are suspended, voting will be carried out normally.

As for President Alberto Fujimori, who continues to dedicate projects, he stated last night that "he does not regard what he is doing as an electoral campaign" and that in view of the opposition's criticisms that he separate his activities as chief of state from those as candidate for reelection, he said that he is campaigning in his capacity as agronomist; that is his profession.

In Joy Way's opinion, Fujimori is making use of what the state grants him in his capacity as president of the Republic and the media must objectively assess his activities."

In the meantime, former UN Secretary General Javier Perez de Cuellar continues to work on his government program as well as planning his next visits to the interior of Peru.

Perez de Cuellar's wife, Marcela Temple, has disclosed that they will travel to Paris in the next few days to attend to some international commitments, but reiterated that her husband is not thinking of stepping down from the electoral race.

Susana Higuchi, President Fujimori's wife, whose candidacy to the presidency was rejected by the National Election Board due to irregularities in her registration, has reappeared to announce her decision to register her movement, Harmony 21st Century, for congressional elections. The deadline for such registration is 9 January.

Although there is a law that prevents relatives of the president from running for president or a seat in Congress, Susan Higuchi hopes to occupy a seat in Congress.

Uruguay

Political Violence, Crime Increasing Before Elections

PY0811211794 Madrid EFE in Spanish 0151 GMT 8 Nov 94

[FBIS Translated Text] Montevideo, 7 Nov (EFE)—Interior Minister Angel Maria Gianola announced today that he has ordered a larger number of policemen to patrol the streets of the Uruguayan capital as a preventive step in case there are acts of violence prior to the 27 November elections.

During the weekend of 5-6 November Montevideo was shaken by several incidents between opposition groups within the framework of a harshening of the political atmosphere.

Two candidates for the Chamber of Deputies for the official National (Blanco) Party were attacked by leftist sympathizers during the course of an election gathering in a working class neighborhood of Montevideo.

The aggressors were identified, and five people were arrested and placed at the disposal of the courts.

Two clubs of the Colorado Party, the main opposition party, were destroyed, while numerous candidates have denounced the smashing of their electoral propaganda displays.

At the same time, the people are observing an increase in criminal incidents. Between 5 and 6 November there were innumerable thefts and forays against homes and offices.

The thieves also visited the headquarters of press and radio organizations and they caused a lot of damage in residential districts.

Commensurate with these developments, the candidates are increasingly voicing their opinions on the problem of crime, the lack of security in the streets, and the lack of sufficient police vigilance, something that seems to have changed the tone of the political debate.

Gianola informed the media about the police measures 20 days before the elections, and noted that there will be preventive measures, taking into account the incidents that have affected political and government personalities over the past few hours.

Presidential Candidate Volonte Interviewed

PY0811114094 Asuncion ABC COLOR in Spanish 6 Nov 94 p 23

["Exclusive" interview with Alberto Volonte, leading National or Blanco Party presidential candidate, by Marcelo Jelen; place and date not given—passages within italics are editorial notations]

[FBIS Translated Text] [Jalen] Do you expect to receive President Luis Alberto Lacalle's support if you are elected?

[Volonte] Without a doubt. Any one of the three Blanco Party candidates—Julio Pereyra, Juan Andres Ramirez, and I—will have President Lacalle's support, simply because the three of us belong to the same party, the Blanco Party. Our party is showing that it can work united, and we will have the president's support, just as he had all our support.

[Jalen] Did the election of Ramirez as the Herreraist faction [Lacalle's faction] candidate create any resentments?

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[Volonte] Not at all. The party is solid and well equipped. The fact that the party has three candidates does not mean there are internal divisions. On the contrary, the party is well united at the trunk.

The former president of UTE [General Administration of State Electric Power and Telephones] seems to feel comfortable in his role as candidate. His ticket includes former Livestock Minister Alvaro Ramos as his running mate, and he was able to secure the support of many legislators who left Lacalle because of his support for Ramirez.

Volonte has the support of the Herreraist-Wilsonist Confluence, a coalition of Blanco Party citizens.

Some of them, at one point or another, confronted the greatest National Party leaders of the century: Luis Alberto de Herrera and Wilson Ferreira Aldunate. Volonte, however, was able to do what seemed impossible only five years ago: gather them around his charismatic figure.

[Jalen] Is the Herreraist-Wilsonist Confluence sure of its unity? The coalition includes figures who fought hard against the dictatorship, such as Jorge Gandini, as well as figures linked to the de facto government, such as Cristina Maeso.

[Volonte] I think those represented in the Confluence are perfectly tuned to Volonte's vision of working for the country's future. The antagonism between Gandini and Maeso would have surfaced had we continued talking about the past.

But we do not look at the past. We demand that all those supporting us look at the future. We are looking at the country, at the region, and its projection to the 21st century. We do not want to discuss past differences. We are looking at what unites us in order to work for a better future for the country. This is a matter of ideas and concepts.

[Jalen] You are a member of a party known as nationalist. Are you not afraid Mercosur can change Uruguay's independent profile? It is a small country locked between two large ones.

[Volonte] I do not think it will. I think Mercosur will stress the national spirit of each one of its members. I have no doubts that Argentina, Brazil, Paraguay, and Uruguay will be deeply nationalistic as soon as Mercosur starts prospering, because national identities and contours can also increase with prosperity and commerce. Did Spain lose its identity when joining the EU? Did the old and glorious France lose its identity? What about the ancient Albion [England], the Germans, or the Italians? Did they lose their identity, or did the identity get strengthened? Let us not be immature.

[Jalen] Paraguay and Uruguay, as the smaller partners, were granted many benefits during the last meeting of Mercosur presidents. Do you think those exceptions will be maintained?

[Volonte] They will be maintained at least until 2001 and 2006 [deadlines for elimination of certain tariff preferences].

Let us wait and see what happens, because those benefits and exceptions expire on these dates. If the experts planned not to change anything during these years, let us wait for the process to develop and stop guessing.

[Jalen] Is a balance between the four Mercosur partners feasible?

[Volonte] There is no doubt about it. Of course, trading within the market is important, but it is more important for this region to cooperate and start conquering international markets. Then we will find many articles with Argentine, Brazilian, Paraguayan, and Uruguayan labor in all regions. I am talking about finished products and products that are highly competitive in European and Asian markets.

Sometimes people make the mistake of conceiving of regional agreements as negotiations to strengthen trade within that market, but these agreements seek to consolidate and coordinate the production of the region in order to trade outside of the region. This is Mercosur's great goal.

[Jalen] What can Uruguay offer to Paraguay in that context?

[Volonte] Quite a lot in the area of cooperation. For instance, we could create "joint ventures" to work on wood or leather with first-level "know how." This would permit us to strengthen our operations, because we are small but have enough other virtues such as tradition, capacity, spirit, national essence, and willingness to struggle. Well, we can put these things together. Paraguay, for instance, is working very well with wood. It imports oak from the United States and then exports it again successfully. We could associate with one another to trade our products more successfully.

But our countries should look beyond goods that Paraguay and Uruguay can offer to each other, in harmony with Brazil and Argentina. We must try to cooperate to negotiate our products successfully abroad. We should not worry so much about things we can offer to each other, from small country to small country, from big country to big country, or small to big and big to small, because then we will never go beyond being a multilateral region. Let us look at things in a larger scale, with hope, because the region has not had such a formidable opportunity as Mercosur in many decades.

[Jalen] Is the waterway irreversible at this point in the game?

[Volonte] There is nothing irreversible, but I think it is something that is interesting and useful to us all. It is not irreversible, but the most probable thing is that it will become a reality.

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Venezuela

Finance Minister Rules Out New Problems in Banks

PA0811181294 Paris AFP in Spanish 2008 GMT 7 Nov 94

[FBIS Translated Text] Caracas, 7 Nov (AFP)—Finance Minister Julio Sosa this Monday ruled out the possibility of a new "wave of financial insolvency" affecting new banks in Venezuela, following the collapse of about a dozen institutions this year.

In statements to the press, Sosa stated the rumors of a new financial crisis "are due to the pressure exerted by people who would like to have a higher margin" concerning interest rates.

The reaction from Sosa came after economist Francisco Vivancos predicted, in an interview, that the fourth wave of bank insolvency, which may affect at least six institutions, was approaching, given the government's decision to exert controls over the margin between real and secondary market interest rates.

Commenting on the new controlled margin, Sosa remarked it is "already very high."

However, economist Vivancos explained that this margin "has affected 59 percent of the banks, placing them under pressure that will prompt the fourth wave in the system."

Last January, the collapse of Banco Latino, the second largest bank in the country, unleashed a debacle in the system, which later affected nine other banks.

Afterward, despite the implementation of a policy of financial subsidies that entailed disbursements in the neighborhood of $7 billion and a quasi-fiscal deficit (including that of the Central Bank) of 12 percent, a third collapse came about, resulting in the state assuming control over the important Banco Venezuela and Banco Consolidado.

According to Vivancos, the banks that withstood the financial crisis did so taking advantage of the expansion of the financial margin (early this year the real interest rate reached 80 percent and the minimum authorized secondary market interest rate totaled 10 percent). Additionally, the reduction in the margins exerts additional preessure in terms of the financial costs, placing the system in a delicate situation.

Commision Created To Regulate Multilateral Loans

PA0811165894 Caracas EL NACIONAL in Spanish 7 Nov 94 p e-1

[Report by Wilfer Pulgarin]

[FBIS Translated Text] The Caldera administration is determined to change the foreign aid policy that has been in place since 1988. Hence, official complaints regarding Venezuelan commitments to the Inter-American Development Bank, IDB, and the World Bank are not accidental.

That determination to modify Venezuela's relations with international organizations was obvious last Wednesday when the Council of Ministers reviewed the draft of a decree creating the Commission for Multilateral Financial Assistance.

Government spokesmen said the decree will be approved at the next cabinet meeting.

EL NACIONAL had access to the original document. The introduction has four points:

Whereas,

a) The country's economic and social situation demands that we use the financial resources available the best we can to cover investment needs in the various sectors in order to achieve truly positive results in Venezuelan social and economic development.

b) Loans obtained from multilateral organizations should be consonant with plans for the country's economic and social development and the national policy of financial assistance to carry out public investment plans and projects.

c) Current mechanisms used to request, negotiate, manage, and control financial resources obtained from multilateral organizations are highly inefficient. Therefore, the Venezuelan state must carry an additional economic burden without resolving the problems that prompted the loans.

d) Follow-up procedures in obtaining credits from foreign multilateral organizations are not well-coordinated.

Caldera Decrees

In view of the above and in accordance with the plan, the president of the republic decrees the following:

Article 1: To create the Commission for Multilateral Financial Assistance. The members of the commission will carry out their work as collateral duties. The commission will be comprised of the minister of state in charge of the Central Office of Corodination and Planning of the Presidency of the Republic (Cordiplan), who will preside it and will act as its executive branch and representatives from the Finance Ministry, the Central Bank of Venezuela, the Venezuelan Investment Fund, and Cordiplan's general sectorial director of multilateral financial assistance.

The commission will invite a representative from each ministry where public investment projects will be implemented with financial assistance from multilateral organizations, according to the commission's area or sector of action.

Article 2: The commission will have the following functions:

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1) Design and promote a national policy of multilateral financial assistance that will guide and regulate the identification and drafting of public investment projects and plans, the process of control and implementation, and the evaluation of the socio-economic impact.

2) Validate criteria for definitive priority planning to be used by the National Executive Branch in signing credit agreements with multilateral organizations and guaranteeing the effectiveness and efficiency of the use given to the assigned funds.

3) Propose mechanisms for periodical updating of the exchange rate, the authorization procedures, and the signing of loans, and ensure the necessary coordination between the Umbrella Law and the Budget Law.

4) Coordinate the implementation of new administrative procedures required for the disbursement of loans and encourage permanent consultations among the various institutions.

5) Promote the strengthening of technical-managerial capabilities among the personnel in charge of implementing the projects and plans financed by multilateral organizations.

6) Propose technical and administrative, as well as basic and functional methods to prommote and guarantee better use of loans from multilateral organizations.

Article 3: The Commission, as a body under Cordiplan, must repsent from the president of the Republic, within 3 days, a detailed working plan to carry out its mission.

Article 4: The Commission can create subcomissions to study matters related to its work.

Article 5: the finance minister, the minister of the Secretariat of the Presidency, the minister of state in charge of Cordiplan, are responsible for implementing this decree.

Roundup of Economic Developments

PA0511164594

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Venezuela monitored through 4 November.

The Venezuelan Government has not paralyzed Spanish investments as reported days ago by the Spanish newspaper DIARIO 16. According to this article, which was retransmitted by the news agency EFE, Venezuela reportedly paralyzed $3 billion worth of Spanish investments due to the so-called sugar incident during the Carlos Andres Perez administration, in 1989. Spanish Embassy sources have said they know nothing about an alleged paralyzation of investments in Venezuela. The fact is an investment agreement signed with Spain in June 1990 cannot be implemented, because the Public Indebtness Law, or Umbrella Law, has not been approved yet. (Caracas ECONOMIA HOY in Spanish 1 Nov 94 p 23)

Development Minister Alberto Poletto has announced the freezing of medicine prices until 15 January to stop profiteering. He has said this measure was adopted, because medicine prices already increased more than 9 percent. Poletto added this measure could be extended if prices fail to stabilize by 15 January. He has said fines levied against price violators will be toughened. (Caracas Venezolana de Television Network in Spanish 1600 GMT 2 Nov 94)

A 2 November, Caracas-datelined item states Venezuela's credit portfolio with the Inter-American Development Bank and the World Bank totaled $3.905 billion as of August 1993, of which $2.367 billion had been disbursed according to an official document issued today in this capital by the Office of Coordination and Planning. The document states 60 percent of the approved funds have been disbursed, contradicting government spokesmen who have said only 9 percent of the credit approved since 1988 has been disbursed. (Mexico City NOTIMEX in Spanish 0116 GMT 3 Nov 94)

The Council of Ministers has approved a bill to refinance the debt of certain small and medium industries with the intervened banks and those banks that are in the hands of the Venezuelan state. This option will be given to industries which have been hardest hit by high interest rates and which have a feasible recovery program. Companies with fewer than 100 workers and incomes lower than 250 million bolivares will be given priority. (Caracas Venezolana de Television Network in Spanish 1600 GMT 3 Nov 94)

According to a 2 November, Caracas-datelined item, the Central Bank revealed today that Venezuela's accumulated inflation for the first 10 months of 1994 reached 58.2 percent, a figure which approximates the official projections of 65 percent by the end of the year. The consumer price index in the metropolitan area registered a 5.1-percent increase in October compared with 4 percent in September. (Mexico City NOTIMEX in Spanish 0036 GMT 3 Nov 94)

The National Treasury earned more than 178.163 billion bolivares in revenues from wholesale taxes, luxury taxes, and customs taxes up to 21 October. (Caracas EL UNIVERSAL in Spanish 3 Nov 94 p 2-4)

Congress has approved in a joint session the reform of the Insurance and Reinsurance Law, which considers a total opening to foreign investment, including insurance and reinsurance companies and brokerage companies. The changes include limiting the indebtedness capacity of subsidiaries and creating a solvency margin for the organizations to guarantee the interests of clients. (Caracas ECONOMIA HOY in Spanish 4 Nov 94 p 3)

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